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CONSERVATIVE NEWSPAPER CRITICIZES TACTICS TO ADVANCE 'ZONE'

Stockholm SVENSKA DAGBLADET in Swedish 10 Aug 83 p 2

[Editorial]

[Text] At the Nordic prime ministers' meeting in Helsinki the extremely important question of a Nordic nuclear-free zone was pushed aside by the relatively insignificant conflict in Kattegatt which is, however, of greater interest to the media.

If the Hesselø conflict seems difficult to resolve because of national considerations, the idea of establishing a joint Nordic nuclear-free zone is virtually impossible to solve, due to national security considerations.

This was indicated with great clarity at the press conference on Monday at Finland's counterpart to Harpsund, the country estate Konigstedt near Helsinki. There are serious differences between the NATO countries Denmark and Norway, on the one hand, and Sweden and Finland on the other.

The many flowery words about its being in the best interest of everyone to make the Nordic countries a nuclear-free zone--which, as many people forget, they already are--cannot hide the fact that it is a zone with certain obstacles.

Before the prime ministers' meeting, Undersecretary Pierre Schori (Social Democrat) was so bold as to issue a press release to correct two "inaccuracies" in a SVENSKA DAGBLADET article that appeared on 25 July on the nuclear-free zone studies now being conducted by the Foreign Ministry.

The SVENSKA DAGBLADET article dealt primarily with the Foreign Ministry group's swift timetable for dealing with the zone and with the Swedish panel of experts' concept of how the Soviet-Finnish Friendship and Mutual Assistance Pact would influence the establishment of the zone.

In Schori's "denial," which was written just 14 days after the SVENSKA DAGBLADET article appeared, he stated that the Foreign Ministry group would not discuss the various problems arising as a result of the security relationships in the

Nordic countries. But to establish the nuclear-free zone--we must also not forget the problems peculiar to the Baltic Sea region--the United States must relinquish the option of deploying nuclear weapons in Denmark and Norway and the Soviet Union must be persuaded to make certain commitments as a result of its Friendship and Mutual Assistance Pact with Finland.

But of course, the Foreign Ministry's panel of experts is dealing with these questions. And the undersecretary himself is "grossly deceiving" Swedish and foreign opinion when he makes statements to the contrary, for it is safe to assume that Schori has read the Foreign Ministry report.

Schori is confusing, perfectly intentionally, two totally different things: the Foreign Ministry's expert report and that which is said to be the Foreign Ministry's and the government's view.

The undersecretary ended his press release by stating that SVENSKA DAGBLADET had ignored the fact that the panel of experts had "not yet finished its work" and that "for this reason, the government certainly could not take a position," etc., etc.

Concerning the panel's timetable, Schori stated that it was "tentative and only an example."

But the SVENSKA DAGBLADET report on the views of the panel of experts certainly is no less correct simply because the undersecretary seems to dislike the proposals made by the Foreign Ministry officials, in accordance with the government's directives.

Finally, Schori concludes by saying that there is "only one authorized version of the government's view on a nuclear-free zone in the Nordic countries. It was presented in the prime minister's Paasikivi speech on 1 June, in which the internal (Foreign Ministry) group's views were taken into account."

We promise to remember these words. They say a lot.

Our foreign policy is formulated in the former salons of Rosenbad where the prime minister's office now is located--not in the salons of the Foreign Ministry at Gustav Adolf Square.

To be honest, we have suspected that for a long time.

9336

CSO: 3650/273

BASQUE, GOVERNMENT REACTION TO ETA-PM LAREDO ATTACK

Madrid YA in Spanish 23 Aug 83 p 8

[Article by Jesus Delgado]

[Text] Santander--A committee from the large Basque colony summering on the Laredo coast, estimated at about 30,000 persons, met yesterday with the mayor of this locality to convey to him their support and solidarity, to express their sincere sympathy for the forces of public order and to repudiate the attack which occurred on the Civil Guard's local barracks early Saturday morning, wherein five persons were injured, one seriously.

During the weekend, some vehicles with Basque Country registration parked in Laredo showed slashed tires, and even broken valves. The estimates made by a Bilbao newspaper, claiming that the damaged vehicles might total 100, as a result of action allegedly known to be taken by extreme right wing elements, are objectively regarded in the town hall as being greatly out of proportion. Despite these incidents, calm has returned to the town, and the mayor has asked the residents to retain the spirit of coexistence that Laredo has always evinced.

Tomas de la Quadra Visited the Town

Yesterday, Interior Minister Barrionuevo telephoned the Socialist mayor, Lopez Revuelta, to notify him that his department would cooperate financially in the work to rebuild the Muelle barracks belonging to the Civil Guard, which were attacked early Saturday morning by ETA-pm [Basque Fatherland and Liberty Group-political/military]. Barrionuevo also expressed concern for the victims' condition.

Also on Sunday, the minister of territorial administration, Tomas de la Quadra, who is summering in Noja, 20 kilometers from Laredo, and the Civil Guard's deputy general director, General Cereceda, spent 2 hours meeting with the mayor, and talked with the guards in their quarters, the damage to which they inspected. Later, both prominent persons visited in the hospital the young woman, Maribel Rodriguez, aged 15, the only one hospitalized, who is apparently recovering favorably from the injuries caused her by the explosion, and who will be discharged within a few days. The municipal committee, headed by the mayor, went to Santander yesterday as well, to visit the injured girl who is confined in the Valdecilla health residence.

The Repair Work Has Begun

Although no assessment of the damage has been made yet, it is thought that several million will have to be spent to restore the premises to their normal state, both in the barracks and in the houses on the street which were hit by the blast wave. In the quarters, the bricklayers were starting the reconstruction work, which will take several weeks.

The topic of security in the barracks was discussed by Tomas de la Quadra and General Cereceda at their meeting with the Laredo civic leaders, which was also attended by the Socialist spokesman in Congress, Saenz de Cosculluela. It will be the town hall that will be in charge of organizing the work, and will also obtain the necessary assistance with which to undertake it.

To date, there has been no clue, since the indications at the outset, when a victim on Doctor Velasco Street thought she recognized three ETA members in an album containing many photos which the Civil Guard had shown her, were discounted. The woman claimed to have seen four individuals, whose silhouettes and facial features seemed to her to coincide with those on the photos, go by the barracks sidewalk moments before the explosion. The subsequent check with the Basque Country records made it possible to ascertain that the three individuals presumably identified by the witness had been in jail for some time.

ETA Eighth Assembly Criticizes the 'Milikis'

In a communique sent to various Basque Contry news media late yesterday afternoon, ETA-pm Eighth Assembly criticized the sector known as "milikis," which favors rapprochement with ETA-pm.

The ETA Eighth Assembly is of the opinion that, by this type of action, the "milikis" whom it considers a "small group" are justifying "the campaigns launched by the government." In the communique, the terrorist organization claims that the KAS [Patriotic Socialist Coordination] pro-alternative sector lacks a political framework and criteria.

2909

CSO: 3548/492

ETA-PM BOMB DEACTIVATED IN CALELLA RESORT HOTEL

Barcelona AVUI in Catalan 20 Aug 83 p 3

[Text] Calella (Maresme)--Yesterday at dawn, members of the Civil Guard from the Mataro district headquarters deactivated an explosive device set at the wall separating the Santa Monica and Catalonia Hotels in this Maresme town.

At 0200 hours on Thursday night, a package was received at the desk of the Santa Monica Hotel, with a note stating: "ETA-m [Basque Fatherland and Liberty Group-military] is here; there is a bomb that will explode 4 hours from now." When the Civil Guard was notified, it sent special equipment for deactivating explosives and a detector. Beside the wall, a microphone capsule was found, from which two bicolored wires emerged. When the explosive was deactivated, it was discovered to be composed of 600 grams of gum-2.

Yesterday afternoon, at the Santa Monica Hotel, there was complete calm, and people were swimming in the pool or strolling. No problem was posed at the desk by our presence at the hotel, and the clerk in charge began to explain the incident to us. "After the package was received, the police and Civil Guard were notified, and the director of the establishment and the heads of the company which owns the hotel, who are British, arrived." The hotel was filled with tourists, and there was no panic at any time. "The guests noticed that something was going on, and they asked questions. This morning, we distributed among all the guests a full report, in English, explaining what happened."

The hotel director arrived just then, and invited us to enter a room. Speaking at all times in a cordial and unperturbed tone, he recounted the details of the incident that had occurred during the night. "When we learned of the incident, our main concern was not to say anything to the guests. When the police arrived, I received them and invited them to take some refreshment, all of which gave the impression that there was no danger. When it was all over, I remember that a guest asked me what was going on, and I answered that the police had been searching for a robber."

With the director, we left the hotel by the rear in order to view the exact spot where the bomb had been set. The Santa Monica Hotel is located at the entrance to the town from a southerly direction and, in back of it, there is a driveway parallel to the main highway, leading precisely to the spot where the explosive was found. "It is a site very easy to reach, and those who set the device did not have any difficulty."

Calm Among the Tourists

The wall separating the two hotels is made of concrete, and the bomb explosion did not cause any major damage. "The wall may have been cracked, and a small portion of our facilities may have suffered some damage." The driveway ends next to an iron ramp providing access to the hotel pool and garden. "But as soon as any passerby uses it, the gardener sweeps it," explains the hotel director. "The explosive actually was a microphone buried under a pile of brush which was to have been collected the day before yesterday, but they came to collect it this morning," he remarked in conclusion.

While we were there, a Civil Guard truck arrived on a surveillance mission, and two members got out of it. The director said: "They did very well in deactivating the bomb, first with the detecting device which located it, and then with the equipment that they use, all with very modern technology." This deactivation equipment is the CEDA, and it uses a switch detonator on the bomb or beside it, with which its triggering mechanism is destroyed.

We returned to the hotel entrance, and there the tourists were continuing to enjoy their vacation without any great concern over the terrorists' activity. A bus from the company which owns the hotel left off a group of guests who had just taken a trip.

Previous Bomb Threat to the Town Hall

It is very difficult to travel by car through the long, narrow streets of Calella, and people leave their vehicles to walk. Among the faces, it is hard to find one that resembles the townsfolk, because one sees red hair and Anglo-Saxon types, with light, dry complexions, everywhere. "I found out about it on the radio." The comment made by a lady from the town could apply to all the others interviewed, and stresses the fact that the hotel's location outside of the urban center explains the people's lack of information.

At the town hall there is only the secretary, because its head, Ramon Bago, is in Barcelona settling matters relating to his position as general director of tourism for the Generalitat, and the head of citizens' security is attending to arrangements for a fair.

The secretary recalls that, about 2 weeks ago, a bomb threat was made against the Calella town hall. "It will be an issue that I shall bring up in Barcelona, but the company associates will explain the facts. After a disclosure, they will not find any device."

2909

CSO: 3548/492

STUDY, RECOMMENDATIONS FOR GERMAN OIL MARKET

Cologne ZEITSCHRIFT FUER ENERGIEWIRTSCHAFT in German No 2, Jun 83 pp 136-147

[Article by Heinz Juergen Schuermann: "New Orientations in the International Oil Sector and the Consequences for the German Petroleum Market"]

[Excerpt] V Interim Summary of the German Oil Market

(1) Since the first oil crisis in the fall of 1973 petroleum processing in the Federal Republic of Germany has resulted in losses, with the exception of 1979, which was characterized by direct strains on supplies. Data on costs and returns collected and published by the Energy Industry Institute on the basis of the "national information system" show that downstream losses have risen appreciably since the beginning of the 1980's. Interim results for 1983 are also clearly in a loss position. Through the end of the 1982 processing and distribution losses accumulated since 1974, with counterbalancing of profits in 1979, have amounted to about DM 16 billion; between 1980 and 1982 alone downstream losses have amounted to more than DM 12 billion, whereby they totaled more than DM 5 billion annually during the last two years.

Such a desolate market situation can only be described as a structural crisis for the petroleum industry. Despite substantial plant closures, particularly in processing (about a quarter of capacity since the Iranian crisis), an improvement of the market is still not in sight.

(2) Under the pressure of cost reductions, since 1982 the structure of domestic distribution has undergone a noticeable shift: (a) While imports of crude oil declined disproportionately (down 9 percent in 1982), the import of products increased (up 6 percent in 1982). This was attributable to the relative price reduction of product imports (on a spot basis) as compared to crude oil (on a contract basis). (b) In the case of crude oil a restructuring occurred in favor of inexpensive supplies, and consequently, an increased proportion of spot purchases. The proportion of spot purchases of crude oil imports had already reached an average of 20 percent last year and it doubled once again in the course of the first quarter of 1983. Meanwhile, the proportion of spot crude is over 50 percent in the case of several of the larger oil companies and 80 to 100 percent in the case of some of the smaller firms.

(3) The past has shown that the profit position of the domestic petroleum industry is definitely dependent upon a more or less balanced situation in the international oil markets. The more price reductions to the contract markets are eliminated on the crude oil spot markets, the easier can the breakeven point in the national downstream sector be realized. This situation, for example, generally existed in October, 1982, when the gap between crude oil contract prices and spot prices was virtually eliminated. Spot influence are relevant, therefore, because in the face of tendencies pointing toward a buyer's market the profit situation for Rotterdam finished products, which has a decisive influence on German price developments, is determined by crude oil cost developments on a spot basis. An easing of the spot crude oil markets has a direct effect on the international and an indirect effect on the domestic profit movements for finished products. Worsening cost disadvantages brought forth by relatively expensive contract supplies of crude oil quasi-automatically cause increasing company deficits. Since November 1982, the development had primarily been characterized by a renewed increase in the difference between crude oil prices on the contract and spot markets. Domestic returns declined markedly as the result of falling prices on the Rotterdam finished products spot market; business losses increased through the end of January. The falling spot prices for crude oil led to a situation, however, where oil producers were able to sell less crude oil on a contract basis.

The effects of current price adjustments in the contract and spot markets for the German petroleum market are still not clearly discernible. Relief in the cost of crude oil supplies has already been partially realized by the greater orientation recently of individual firms toward spot supplies of crude oil. The determinative nature of exchange relations between the D-mark and the dollar will probably also be of decisive importance in the future for the further development in the German crude oil accounts.

It is an open question whether, and to what extent, a trend towards relief in the cost of crude oil supplies will be felt on domestic consumer prices. It must be borne in mind that the petroleum industry will at least attempt to hold prices at a level which will enable it to reduce substantial losses in some areas. It remains to be seen whether competitive conditions will allow this to happen.

Above all, the conditions under which the import trade in Rotterdam will be able to obtain supplies will be decisive. The more sustained the downward trend of spot prices on the crude oil market and the more they diverge from the contract price, the more favorable is the competitive situation for the independent importers. In spite of price relief this leads to a trend toward higher losses for domestic refiners where crude oil is concerned. This situation characterized the first several months of this year. In the meantime the differentials in the crude oil markets have been markedly reduced; some of the spot prices are only slightly less than the contract prices.

Simultaneously, the conditions in the international finished products markets have stabilized with an upward trend. The profit opportunities for domestic refineries in important sectoral markets (gasoline) show, also seasonally related, a clear trend upwards. On balance, however, the current business results in the second quarter of 1983 will probably still be in a deficit position (20 to 40 DM/t).

(4) It is to be viewed as a positive element that domestic oil consumption, particularly when viewed against a background of current price expectations for crude oil and an improving economic situation, could stabilize in the medium term at the current level with a slight decline. Of course, structural changes in oil consumption will probably continue. The possibilities for conversion already realized (including projects still incompletd) could be sufficient, however.

Even in view of this relatively optimistic scenario for sales, however, further idling of capacity in the processing sector in the face of unsatisfactory utilization and continued import pressure as well as an increasing thinning out in the distribution sector still appears to be necessary. Given a condition of status quo in the realm of energy policy, unbalanced adjustments together with definite tendencies toward concentration are likewise possible. A certain concentration in absolute terms appears unavoidable at the outset because of substantially reduced sales potential; it is the result of a process of selection in the market given a substantial decrease in demand.

VI Inferences for Energy Policy

(1) In view of achievements in conservation now incorporated into the market and the trend toward an improvement in the crude oil supply situation, the state should renounce its strategy of "away from oil" as it was pursued without qualification in the past. In the field of energy policy the appraisal of the future role of oil in energy programs should take into account the fact that dynamic market adjustments in this sector of the energy industry have occurred again and again, that competitive processes have in the main been activated in the partially rigid energy sector, and that the multitude of restrictions upon alternative energy forms cannot be ignored in a realistic energy scenario. The potential of a domestic petroleum industry in the field of energy policy should be evaluated fairly. Within the parameters of energy policy further discrimination disadvantageous to the petroleum companies should at least be abandoned (additional taxes on consumption, further sales restrictions in the heating oil markets, environmental restrictions which have not been internationally coordinated, etc.).

(2) Interventionism as part of competition policy, with its controls on the misuse of pricing and prohibition of mergers, should at least be limited to the extent that it does not additionally result in an unnecessary barrier to chances for economic adjustment. Care should be taken so that all groups of vendors make sacrifices in terms of sales and so that individual market participants are not given overproportional protection at the expense of other vendors (no excessive interpretation of protection under paragraph 26 GWB [Law Prohibiting Restraints of Competition]).

(3) Supply channels should be kept as open as possible, that is, national barriers to market entry (tariffs, licenses for finished products) should only be introduced in response to an extreme threat to reasonable--as politically determined--contributions to supply by the domestic petroleum industry (at the very least a supply potential of 50 percent).

Within the European Community, however, the Federal Government should insist that coordinated oil policies are put into practice in order to prevent a situation where in order to protect the existing market regulations, pressures for adjustment are forced upon individual (liberal) economies to an unacceptable extent.

Simultaneously a West European dialog with the OPEC states should be initiated in order to bring about improved coordination of mutual interests in the upstream and downstream sectors.

In regard to the dumping of petroleum products in the EC by the East Bloc, consideration of trade protective measures should be expanded to counteract potential behavior damaging to markets.

(4) It also seems important to continue auxiliary financial aids for exploration and production abroad by national oil companies in order to compensate for the continuing historically precipitated disadvantages resulting from late entry.

(5) Joint ventures between domestic oil companies and foreign producers are desirable in the context of oil policy because they expand the realm of cooperation and cause the transformation of unilateral dependencies into mutual dependency.

(6) Rigid international price and quantity agreements should be rejected under all circumstances. The development of a coordinated anti-cyclical stocks policy for cushioning abrupt price moves seems, on the other hand, worthy of discussion.

In response to the (improbable) possibility of a short term collapse of oil prices, one should consider whether the (national/international) crude oil reserve quantities should be increased, for example, in order to stabilize the oil market in the short term while at the same time using more effectively reserve potential in the face of political crises with temporary supply disruptions than was the case in 1979, for instance.

12412

CSO: 3620/431

MARTENS DEFENDS STEEL ACCORD, ECONOMIC POLICY

Brussels KNACK in Dutch 3 Aug 83 pp 23-26

[Interview with Prime Minister Wilfried Martens by Johan Struye and Marc Reynebeau: "The End of Compensations; Wilfried Martens has Managed Again."]

[Text] During the first year of its existence, the Martens V Government whizzed through the socioeconomic problems at high speed until, at the end of 1982, it also got hung up in the communal web. After the Happart matter, it was forced to spend about 6 months on the steel question which was finally settled last week.

After this compromise accord, worked out on the basis of the Gandois Plan, the government members had to involve themselves in the budget matter, which was just as painful. Just before the cabinet closeted itself in conference last weekend, we had a discussion with Prime Minister Wilfried Martens.

Wilfried Martens: To say that it is a matter of Flemish or Walloon concessions here is a one-sided view of matters. In the summer statement of 21 June the government had decided that the new financial needs for Cockerill-Sambre (CS) would be charged on a regional basis. This is now done with the proceeds of the Walloon succession duties (3.5 billion) and with the cancellation of investments projects in Wallonia for 2.1 billion. This Walloon effort is very great. A loan of 27 billion [Belgian francs], which runs until the year 2006, in fact costs almost 80 billion. Until then the succession duties have to pay for the servicing of this loan. On the other hand, the government also makes a great effort with the execution of the Gandois plan, in which the state assumes 51 billion in debts through recapitalization. The state accepts the responsibility for its earlier decisions.

[Question] These new financial injections are still chargeable to the state, however. Does the restitution of the succession tax amount to a decrease in income for the national government?

Martens: Yes, but a totally new element is concerned here which is characteristic of the state reform. With the restitutions the regions only get back what they themselves produce. It is true of course that the national treasury loses income

through that. That then has to be replaced by loans or new income whereby national solidarity then plays a role again. Thus, in a manner of speaking, it is half national solidarity and half the responsibility of the regions. With the endowments, Wallonia would have received 10 percent more and with national solidarity perhaps even more than that. It is a matter of a new mechanism. Before the state reform the means of the state were spent according to economic laws, social security, and needs. With the state reform, one slice of that is no longer divided according to those laws, but its spending is determined by a distribution formula. With the restitutions, about 30 percent goes to Wallonia; with endowments it is almost 40 percent. That is the margin of 10 percent which will bring every big communal negotiation to a stalemate. The Walloons, of course, press endowments, and someone like PS [Socialist Party] Chairman Guy Spitaels finds that some want to work with restitutions and others with endowments, whereby he then finds that the compromise should lie somewhere around 36 or 37 percent. Actually, there is no longer a single Walloon federalist. Either one wants to settle everything with endowments, or one wants to bring national solidarity into play, which is actually completely anti-federalistic. I don't find it hard to say that.

In federal states, 5 to 600 billion of our 1700 billion in expenditures would go to the regions. With the endowments and restitutions we are already committed to 100 billion now. Added to that should be the Municipal Fund, which has already been federalized, and National Education, for the amount of 250 billion, which has also been divided among the communities. That certainly comes to a total of at least 400 billion. With these new restitutions another 9 billion is added. Until now only 5 billion has been restituted, intended for the transfer of civil servants.

[Question] The choice of the succession tax as a tax revenue to be restituted is arbitrary, isn't it?

Martens: It was the only thing which was politically feasible. The inheritance tax has its own characteristics: 48 percent is produced by Flanders, 20 percent by Brussels and 32 percent by Wallonia. The Brussels succession tax goes through to the treasury. Then when the Flemish and Walloon part is divided up, we see that they get 61 and 39 percent respectively.

[Question] Yet, the choice of the succession tax implies a limitation on financial possibilities; if they are inadequate, should one start canceling highways?

Martens: It is adequate. We can solve three problems with it: past debts of regions and municipalities, the exceeding of credit lines of the treasury, and the bundle for the national sector. What the future will bring we don't know, of course. If Wallonia needs even more money, the succession taxes won't suffice, of course. Once past debts have been settled, Flanders will have a surplus of almost 3 billion in 1986 and 4 billion the following year. These amounts will be transferred to the Executive which can do with it what it wants. The national government is involved only to the extent national sectors are involved.

[Question] Today CS, tomorrow KS [Kempen Coalmines]? The bundles for the Kempen coalmines, also a national sector, were not indexed.

Martens: That depends on the size of the losses and on the attitude of the Flemish ministers in the national government. KS does, of course, have a management contract and policy of reform. If the Gandois plan succeeds, CS will disappear from the political scene. The problems of KS are more extended, however. I can't see how its operation can ever be made profitable. We don't know, of course, how steel will develop either, for we are facing a structural- and international crisis there. And what if EEC protection stops after 1985?

[Question] You have always denied that you were planning to put through a coupling with this plan. What is the difference between a coupling and a broad settlement as you call it?

Martens: It is a broad settlement because we use restitutions, which are characteristically automatic? If we had made restitutions to Flanders to clear past debts, we would also have had to send an amount to Wallonia where they did not need that much money. The same is true for Walloon steel and for the problem of the Brussels communities. The bill would then be triple. That is not the case now because we apply the same system to the total needs. It would of course have been more accurate if the powers had been transferred completely to the regions. Then each region could levy its own taxes, but the national parliament of course can only levy national taxes. Moreover it is not a matter of purely regional affairs because they are the result of earlier commitments made by the national government.

[Question] Isn't it abnormal that the appropriate institutions have nothing to do with the entire matter? Moreover, you are once again creating regional ministerial committees in the lap of the national government, which surely won't improve the insight into our institutions?

Martens: I admit it is a complex situation. But there was no political majority to regionalize the national sectors nor to solve the matter through an accord with the executives. It now is clear, however, that no new needs will be financed with national funds. For that matter, education is still in that situation. It was the first special power which could have been federalized, but, as you know, the ideologic objections were too great for that.

[Question] Could you have achieved that accord with another coalition?

Martens: Of course. The entire set of communal problems has, justly or unjustly, been focussed on CS. The current government also left other possibilities open: we could have coupled new financial injections to an enforced moderation, at Cockerill Yards and Fabelta for example, or we could have stopped supplying more money after the current bundle was used up. On 21 June we chose the current solution, which has become an appendix to the government accord. In any case the period of compensations, of waffled politics, is definitely over.

[Question] The new money for CS must be borrowed by the Walloon fund within the National Society for National Sectors and, at that, without the state guarantee. Do you think that bankers will bite under those circumstances, especially when we now see that even Distrigas cannot get new money for the expansion of the LNG terminal in Zeebrugge without the state guarantee?

Martens: It is true that no state guarantee is provided, but the guarantee is legal. The NMBS [Belgian National Railroad Company] will have the income of succession taxes at its disposal, and that will be contained in the law.

[Question] Two of your ministers, Mark Eyskens and Philippe Maystadt, did a solo-performance during the recent negotiations. How do you explain that?

Martens: I don't know their motives. It is clear, however, that their action has a regional intent, aimed at both Flemish and Walloon interests. But that also exists in the national government, you know; they're not all purely national souls there.

[Question] Now you are facing the task of drawing up the 1984 budget, which is not easy either. Will there be new taxes?

Martens: No direct taxes.

[Question] Indirect?

Martens: That is another matter. An increase in the contributions for social security amounts to an economy, a decrease in expenditures, for the state. Naturally that is only a formal distinction for the population.

[Question] PVV [Party of Liberty and Progress] Chairman Guy Verhofstadt last week once again urged the slimming down of the state.

Martens: But the problem is that the financial difficulties of the state aren't solved by that! The part of the budget intended for the operation of the state, for the departments and the civil servants, has become extremely small. By far the biggest piece of the pie goes to social transfers, economic transfers, the public debt (322.5 billion next year), the endowments and the communities. The state budget has become one big teller's window. The part for the so-called authority departments (Justice, Internal Affairs, etc.) is just as large as the budget for Education. The state debt is the big problem. Last year the treasury deficit was 13 percent of the Gross National Product (GNP). That came to 16 percent for the entire government, which is an enormous deficit. That does not mean that we won't succeed in our budget policy, for our expenditures policy has improved greatly. We do have a considerable setback with respect to income, however. We now get 45.7 billion less and that is the problem for this budget.

[Question] Can economies really be made in the expenditures?

Martens: One can always economize, but that doesn't translate only into a slimming down, but also into a decrease in social benefits, or higher contributions. If there is less money for the railways, the rates have to increase. That mechanism is always the same. Economies affect the income of the citizen, the services of the state, the social benefits.

As to the operating expenditures and the capital expenditures, the government has succeeded in curbing the increase of the original 1983 budget to 5.3 percent, thus

lower than the estimated rate of inflation. The net balance to be financed for 1984 has been estimated at 11.5 percent (503.2 billion), which is an improvement of 1 to 1.5 percent in terms of the GNP with respect to the newly estimated deficit for 1983. That requires tremendous efforts. We are in the midst of serious political decisions, whereby it is not a matter of clearing a billion here or there but of large packages of 10 or 20 billion and more.

[Question] What will it be: education, social security, unemployment?

Martens: Not only those, but they do present the biggest problems. In unemployment we especially want to tackle the problem of technical unemployment, for that costs a tremendous amount and many abuses occur there.

[Question] Will you need new special powers in the future?

Martens: Not during this legislature, that is politically out of the question. In 1982 we made 192 decisions by special powers. That is equal to 5 years of parliamentary work. We now have enough until March 1984. The special powers also ought to be applied in other areas where the financial crisis is breaking out: the communities, the national sectors, semi-federal institutions, etc. If the crisis continues, I'm convinced that future governments will also have to resort to special powers.

[Question] And then there is the state reform.

Martens: A lot still has to be done there, but constitutional amendments are out of the question in this legislature because this parliament is not a constituent assembly. In the Study Center for the Reform of Institutions further development of state reform is being prepared. But much more important things than that are happening now. The administration of regions and communities is being transferred, which is happening now only after many years of delay. A whole series of semi-federal institutions are being split up: the RVA [Government Service for Labor Supply], Child Welfare, the National Housing Association, the National Land Association, etc. And in the future we certainly won't be able to circumvent our accord of last week.

[Question] Your government apparently is continually troubled by the communal problem?

Martens: In 1982 one didn't hear about that, but apparently that topic regularly turns up now. At the end of 1982 the special powers expired and some people thought perhaps that the communal problems then would get another chance, and that they would themselves. Some would not like to see the government succeed in its recovery policy without being involved themselves. Those are the socialists as well as some people in the majority.

[Question] Isn't it a problem for you that the population does not seem to have much faith in the government?

Martens: It is difficult to say how the population reacts. It has been claimed for 10 years that it is not possible to break through a number of taboos, such as the index. But that has happened anyway. Most of the measures were

nevertheless accepted by the population, although not with pleasure, of course. We have been able to change the additional [wage] moderation for 1983/1984 into additional job opportunity, through a great number of sector- and company agreements. The increase of unemployment now has stabilized. Since the beginning of the crisis, 25,000 jobs were lost every year. That has ended now. The accords we have now concluded, and which affect 80 percent of the working population, prove that [wage] moderation and solidarity have taken hold among the workers. The ABVV [Belgian General Federation of Labor] also has given its cooperation. In European councils I am the only one who is able to submit such results. As to the reform of public finances, that will take a while, of course. But the competitive strength of industries has been recovered, the balance of trade and payments has improved, and faith in our currency has returned. We also have to take care of the concrete development of the state reform, but it won't be possible for new, large accords to be negotiated.

[Question] It is strange that with the creation of the executives the idea is taking shape that a government can be formed without the Christian Democrats. That is a topic of discussion already now.

Martens: I don't see an accord coming into being so easily between socialists and liberals. Gaining 10 seats is sufficient for us, and a government cannot be formed without the CVP [Social Christian Party]. Those 10 seats, that's not so difficult; I've managed something similar once before when I was chairman of the CVP. And it is not only the Tindemans effect which played a role there. One should not forget that the chairmanship of the CVP is the most important political post in this country.

8700

CSO: 3614/133

ECONOMY MINISTER JOHANSEN WANTS MARXIST-STYLE DEVELOPMENT

Copenhagen INFORMATION in Danish 10 Aug 83 p 9

[Commentary by Erik Meier Carlsen: "Greenland is Twisted"]

[Text] Greenland's economy has been twisted and is ensuring the situation of dependence on Denmark. The Siumut government party has an industry minister who looks on things with Marxist eyes and he has taken a beating for this.

Outside of Brugsen in Nuuk there is always standing--summer and winter--a group of young Greenlanders, 16 to 18 years old, long-haired with black leather jackets, who carry on as do a group of young people on street corners of any Danish provincial town.

If one edges by them, one comes into a gigantic supermarket whose supply of merchandise also to be sure is not outstripped by that of any Danish provincial town.

On the contrary.

In addition to the complete assortment of well-known supermarket merchandise from Asian delicacies to fresh Danish vegetables, there are freezer cases with Greenland foodstuffs, venison, whale, salmon and redfish.

Only a few hundred meters from Brugsen's big wooden building there is "Braedtet," which is a totally different market. Here eiders, auks, seals and arctic foxes lie on the ground. They are skinned on the spot and you deal directly with the hunters.

The picturesque contrast between Braedtet and Brugsen indeed does not give a true impression of the enormous differences in lifestyle in Greenland society. There are not many full-time hunters in Nuuk.

Old Corpse

But the differences are there and they will remain there. This is the opinion in any case of Greenland's ruling Siumut party. Like the rest of the Third World, the economy of the Greenland community is in difficulty.

An economic sector which functions on a level which the country's own direct resources cannot form a basis for has been imported, so to speak, from Denmark.

The young Greenland government, the home rule government, got into a vehement political storm when the Industry Ministry in 1981 led with the first coherent offer for an independent Greenland industry policy which directly sought to attack the fundamental way of presenting the problem.

SERMITSIAK, the only independent one of Greenland's two large weeklies, introduced the account of the industry report in March 1981 with the headline "Bombshell in Landsting [Parliament]: Socialist Greenland."

A strongly heated debate followed and the Siumut party saw itself compelled to distance itself from the report.

But it has not been forgotten. During the election campaign in the spring it was called attention to again by the big Atassut opposition party, and the Siumut leader, Home Rule President Jonathan Motzfeldt, made new records in renouncing the report, when he in a radio broadcast called it an "old corpse which is lying nicely in its coffin somewhere."

The Report

Responsible for the report is Greenland's dynamic Industry Minister Lars Emil Johansen, who together with Motzfeldt and Moses Olsen constitutes the party's founders and sovereign leaders. Johansen is clearly on the party's left wing--at times in sharp opposition to the home rule president.

And Johansen still maintains that the industry report covers his views.

"I do not at all disagree with the industry report," he says. "I have lent my name to and worked together with the group which drew it up, but I must admit that it is poorly written. We should have been more inventive and used other expressions than 'expropriation' and 'investment obligation,' expressions which the whole debate came to revolve around."

It is the report's main point that the private industry sector in Greenland is twisted and will continue to be so if public authority does not intervene directly.

The lack of competition, the enormous geographical distances, the very small local communities and peculiar features of Greenland's production structure mean that the trade sector and building and construction sector are assured an "overproportional share of profits," the report says. This means a lack of balance between domestic production, imports and exports. If this development continues, "community profits" will to an increasing extent be absorbed by the trade sector and building and construction sector, while hunting, fishing and the fish processing industry will remain threatened.

The report concludes that if the principle of relying on the country's live resources, which the Siumut party has made a main point in its program, is to be realized, then the "community profits" must be distributed in another way--in the short term by "expropriation and investment obligation" and in the long term by a distribution which "does not take place on the basis of capital and private ownership, but on the basis of need and the ability for production in individual regions and production areas."

This looks like socialism incarnate.

Denationalization

"In our party we do not identify much with labels like Marxist or socialist. But it is no secret that in my personal opinion a Marxist analysis is very well qualified to demonstrate what has happened in Greenland industry. For significant denationalization has taken place by virtue of the Greenland policy of the 1960's," Lars Emil Johansen says.

The massive Danish contribution in the 60's had as its slogan "equality." The county of Greenland was to be on a level with the rest of the kingdom. Schools, hospitals, physicians and housing were to be placed at the disposal of the Greenland population to an extent and according to a standard which could be compared with the Danish. Critics saw in this project Danish imperialism, which wanted to develop the basis for private capitalistic exploitation of Greenland's resources.

If this was the intention, it was not successful. Only to a very limited extent did it prove to be at all possible to carry on profitable industrial activity based on the large land's own riches.

But on the other hand the massive government effort created the basis for profitable building and construction activity and trade. The large group of Danes sent out was lured to Greenland by an income and tax situation which gave considerably greater consumption capacity than in Denmark.

It is this sector of public employees, entrepreneurs and construction workers which first and foremost have created the basis for the large imports.

But Lars Emil Johansen does not see any political opportunities for limiting this consumption considerably, although he finds it to be an expression of an "imported need" and "not natural for Greenland."

"We cannot retain popular support if too much is changed in people's consumption capacity. It would be politically naive to believe people would understand the necessity of a decline in the standard of living. It would be a blow to Greenland's self-confidence if home rule meant that we had it harder," he says.

Godthaabization

"Now there are also different living standards in Greenland. The living standard is high in Nuuk and Danish-inspired. But it begins to change as soon as one comes to the next town. I have experienced when I travel on the coast that in Nuuk the technical level and services level are so high that I actually miss it when I am out traveling. In Ilulissat in Disco Bay I had use for an overhead projector and it took half the day to find one. In Nuuk you get one immediately. We live under quite varied conditions."

"But I do not think we should work on disseminating Nuuk's services level. This need has been created in Nuuk, but out on the coast things are managed in another way. We have to learn this."

"We must not have what in the old days was called 'Godthaabization,' when conditions in Nuuk are pulled over the heads of communities out on the coast."

"It is also for this reason it is so necessary to adjust industrial development regionally. The resources are indeed distributed differently from region to region."

But Johansen does not doubt that the disproportion between imports and exports is Greenland's biggest political and economic problem and the most important impediment to real independence:

"Political independence is achieved not through home rule, First of May speeches and demonstrations. Independence is achieved by increasing exports. By strengthening home industry, developing a higher degree of processing of fish products and by making industry diversified instead of as now where it is just a question of cod and shrimp. By this more jobs are created, better goods, better returns for the community and a better proportion between imports and exports."

Gloomy Forecasts

After having laid the plans for expropriation and investment obligation in the coffin, the main slogan for the Siumut party's industry policy has become regionalization. South Greenland with sheep raisers, the West Coast towns with fishing, and the hunting settlements on the East Coast and up north are to be developed individually on their own terms. But for the time being the home rule government's maneuvering opportunities are severely limited.

"In the first four years of home rule we have concentrated on fishing. For one thing, we have introduced a duty on shrimp boiled in sea water. Shrimping is the most profitable form of fishing and we think it is reasonable that part of the profits from this is used to promote the rest of industry," Lars Emil Johansen says.

"Now we have a work group that with the participation of the labor movement and employers is looking at land industries. There are limits to how much

specific I can say. But we are not opposed to concerns producing profits. We want a share of the profits. We live in times with very gloomy forecasts. Therefore, we must place ideological scruples aside and ensure that resources are being used in a socially relevant manner. I do not think we can put legislation through that requires a reinvestment obligation. We also come under the Danish constitution. But we can create rules for submission of bids with public participation which can ensure that part of the profits in the building and construction sector remains in Greenland and is invested in new business," Greenland's industry minister says.

8985

CSO: 3613/178

COOPERATION AGREEMENT SIGNED WITH USSR**Expanding Economic Ties**

Moscow FOREIGN TRADE in English Jun 83 pp 11

[Article by Vladimir Simakov: "USSR-Hellenic Republic: Long-Term Programme of Cooperation"]

[Text]

N.A. Tikhonov, Chairman of the Council of Ministers of the USSR, paid an official visit to Greece in February this year. Much attention was given to the matters of trade and economic cooperation between the two countries at talks held during this visit.

Following the talks the Long-Term Programme for the Development of Economic, Industrial, Scientific and Technological Cooperation between the USSR and the Hellenic Republic was signed in Athens.

N.A. Tikhonov, Chairman of the Council of Ministers of the USSR, signed the Long-Term Programme on behalf of the Soviet Union and A. Papandreou, Prime Minister, on behalf of the Hellenic Republic.

The working out and signing of this Programme was predetermined to a large extent by the whole progress of the preceding development of trade and economic relations between the two countries and the changes which have lately taken place in these relations. Among these changes there should be noted, first of all, a substantial increase in the mutual trade turnover, the conclusion in 1980 of the Agreement on the Development of Economic and Industrial Cooperation and the establishment on its basis of the Soviet-Greek Intergovernmental Commission on Economic and Industrial Cooperation as well as the appearance of new promising forms of cooperation alongside with the traditional trade.

The signed Programme opens up a new important stage in deepening and expanding economic ties between the Soviet Union and the Hellenic Republic. The Programme came into force from the moment of its signing and is for a ten-year period. It provides for the development of such forms of cooperation as participation of competent Soviet organizations and Greek organizations and firms in the design and con-

struction on the territories of both countries of new and modernization and expansion of existing facilities in industry, agriculture, and transport; cooperation in industry and agriculture, including joint production of commodities; exchange of goods and services; cooperation in the field of science and technology.

The Programme defines the main most promising directions of cooperation. As suggested by both sides such directions may comprise, in particular, mutual deliveries of goods, including machinery and equipment, energy and industrial raw materials, chemical products, agricultural goods and raw materials; power generation, non-ferrous metallurgy, machine building, transport, construction, agriculture; joint research in a number of specific fields of science and technology, including the development of alternative energy sources, in physics, seismology, and medicine.

The Programme also provides for the possibility of development of Soviet-Greek economic and industrial cooperation in third countries, in particular, through the mutual involvement of organizations of the countries in the joint participation in designing, delivering equipment and performing construction and assembly work in third countries.

Cooperation within the framework of the said Programme is aimed at better use on the basis of mutual benefit of natural and raw material resources, latest technology, and achievements in industry, agriculture and other branches of economy in the interests of each of the countries.

The Programme directs both sides to the development of cooperation on a long-term basis through the conclusion of long-term contracts, establishment of closer and more lasting contacts between corresponding Soviet organizations and Greek state organizations, cooperatives and private firms.

In the opinion of both sides the Programme will make a favourable impact on the development of mutual exchange of goods on a more stable and balanced basis and contribute to an improvement of its structure.

The supervision over the progress of cooperation envisaged in the Programme will be effected by the Soviet-Greek Intergovernmental Commission on Economic and Industrial Cooperation and by the Soviet-Greek Joint Commission on Scientific and Technological Cooperation.

At their regular sessions the commissions will outline specific measures for the near future in the implementation of the Programme signed.

At present discussions are held on the basis of the substantiations prepared by the Soviet side with Greek firms and organizations on the construction in the Hellenic Republic of an alumina plant with the assistance of the Soviet Union. Possibilities are examined of supplying the Hellenic Republic with Soviet natural gas on a long-term basis and constructing a gas pipeline to transport it.

Work is also under way on continuing cooperation in the construction of power generation facilities in the Hellenic Republic by Soviet organizations, in deliveries from the USSR to the Hellenic Republic of electric energy for a long period of time, in ship construction and repair. The possibility is being examined of the participation of Soviet organizations in modernizing the Greek railroad system.

The realization of listed and other projects envisaged in the Programme will almost double the volume of Soviet-Greek trade during the period of its validity.

Vladimir Simakov

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1983 English translation "Foreign Trade", 1983

Text of Agreement

Moscow FOREIGN TRADE in English Jun 83 pp 54-55

[Text]

The Government of the Union of Soviet Socialist Republics and the Government of the Hellenic Republic,

desiring to further expand cooperation in the fields of economy, industry, science and technology and to impart a stable, long-term and purposeful character to this cooperation,

guided by the principles and provisions of the Agreement on the Development of Economic and Industrial Cooperation between the Union of Soviet Socialist Republics and the Hellenic Republic of December 23, 1980, the Agreement on Economic and Technological Cooperation between the Union of Soviet Socialist Republics and the Hellenic Republic of October 2, 1979, and the Agreement on Scientific and Technological Cooperation between the Union of Soviet Socialist Republics and the Hellenic Republic of June 10, 1977,

for the purpose of practical implementation of principles and objectives set forth in these agreements,

taking into consideration the provisions of the Final Act of the Conference on Security and Cooperation in Europe signed in Helsinki on August 1, 1975,

shall adopt this Long-Term Programme for the Development of Economic, Industrial, Scientific and Technological Cooperation between the Union of Soviet Socialist Republics and the Hellenic Republic.

1. General provisions

The economic, industrial, scientific and technological cooperation provided for in this Programme is aimed at a better use in the long term and on the basis of mutual benefit of natural resources and raw materials, latest technology, and achievements in industry, agriculture and other branches of economy in the interests of either country.

For the purpose of the fullest possible implementation of this Programme, the Parties shall, within their possibilities, create favourable conditions for the development of a dynamic and harmonious economic, industrial, scientific and technological cooperation between corresponding Soviet organizations and Greek state organizations, public service organizations, cooperatives, export promotion organizations, chambers of commerce and industry, private enterprises and firms.

The Parties note that the cooperation in construction of industrial and other projects is acquiring an ever greater importance in economic relations between the USSR and Greece, together with the traditional forms of trade.

The Parties consider that opportunities for cooperation exist in such fields as electrical energy generation, electrical engineering, non-ferrous and ferrous metallurgy, oil refining, chemical industry, machine building, light industry, agriculture, transport, urban construction, tourism, and environmental protection.

Contracts under specific cooperation projects shall be concluded between above-mentioned corresponding Soviet organizations and Greek firms and organizations.

The Parties deem it expedient to consider the possibilities for developing economic and industrial cooperation also on third country markets, in particular, through the mutual involvement of organizations of the countries in the joint participation in designing, delivering equipment and performing construction and assembly work in third countries on the principles of mutual benefit and equality.

The Parties shall encourage further development of cooperation in the field of science and technology for the purpose of a more effective use of scientific and technological potentials of both countries for the solution on a long-term basis of topical scientific and technological problems of mutual interest.

The Parties shall encourage the holding of seminars and symposia, trade and industrial exhibitions, mutual business visits and other such events which will contribute to the development of a mutually beneficial economic, industrial, scientific and technological cooperation within the framework of this Programme.

2. Forms of cooperation

The Parties consider that the most expedient forms of economic, industrial, scientific and technological cooperation may be the following:

(a) Participation of competent Soviet organizations and Greek organizations, enterprises and firms in the design and construction of new and modernization and expansion of existing facilities in industry, agriculture, transport and other branches of economy subject to plans and programmes of economic, scientific and technological development of either country.

The cooperation in construction of facilities includes the preparation of technical and economic substantiations, design,

supply of equipment and materials, performance of construction, assembly, start-up and adjustment work, training of national personnel at cooperation projects.

(b) Development of cooperation in industry and agriculture.

The Parties consider that in deepening cooperation between the two countries an important role will be played by the development of cooperation in industry and agriculture as well as joint production of industrial and agricultural products to meet requirements both of the USSR and Greece. Such cooperation, in particular, may take the form of deliveries of raw materials, agricultural products, semi-finished products and completing items.

The Parties shall encourage, in the presence of mutual interest and taking into consideration their economic possibilities, initiatives aimed at the development of relations in this field, and shall take measures within their competence in order to facilitate the realization of the said forms of cooperation.

(c) Exchange of goods and services. The Parties consider that this Programme will have a favourable impact on the development of mutual exchange of goods and services, and also contribute to the improvement of its structure. They shall take all necessary measures to achieve this objective.

The parties shall take into consideration export possibilities and import requirements of both countries in order to achieve a further expansion in the exchange of goods and services between the two countries on a long-term, stable and more balanced basis.

(d) Cooperation in the field of science and technology. The Parties agree to expand and deepen cooperation in the field of science and technology by using, in particular, such forms of cooperation as exchange of delegations of scientists and specialists, specialization of scientists and trainees, joint research and development, exchange of results of joint work, exchange of scientific and technological information and documentation, exchange of scientific equipment and know-how, organization of conferences, seminars and exhibitions.

The Parties attach special importance to the introduction of the results of scientific and technological cooperation into the economies of both countries with subsequent expansion of scientific and technological cooperation and trade.

3. Main directions and fields of cooperation

Taking into consideration the actual development of economic, industrial, scientific and technological cooperation between the USSR and Greece, the Parties consider that such cooperation may most successfully develop in the fields listed in the Annex to this Programme.

The Programme does not exclude the possibility of economic, industrial, scientific and technological cooperation in other fields and forms as well.

4. Final provisions

The supervision over the progress of cooperation within the framework of this Programme shall be effected by, respectively, the Soviet-Greek Intergovernmental Commission on Economic and Industrial Cooperation set up under the Agreement on the Development of Economic and Industrial Cooperation between the USSR and the Hellenic Republic of December 23, 1980, and the Joint Soviet-Greek Commission on Scientific and Technological Cooperation between the USSR and the Hellenic Republic of June 10, 1977.

The cooperation provided for in this Programme shall be effected in accordance with laws and regulations in force in either country.

This Programme shall not affect the rights and obligations arising from bilateral and multilateral agreements and treaties of both Parties.

The Parties agree to hold regular consultations on the matters of realization of this Programme and, if necessary, to amend and supplement it by mutual agreement.

This Programme shall enter into force temporarily on the day of its signature and finally on the date of exchange of notes confirming the completion of procedure required for the approval of the Programme in accordance with legislation of either country.

The Programme shall be valid for 10 years from the date of its signature.

Done at Athens on February 22, 1983, in two originals, each in the Russian and Greek languages, both texts being equally authentic.

**For the Government
of the Union of Soviet Socialist Republics
Chairman of the Council of Ministers of the USSR
N.A. TIKHONOV**

**For the Government
of the Hellenic Republic
Prime-Minister
ANDREAS G. PAPANDREOU**

The Annex to the Programme envisages specific directions and projects of trade, economic and industrial cooperation, in particular, in machine building, electric energy generation, ferrous and non-ferrous metallurgy, the gas and chemical industries, transport, agriculture, the possibility of participation of organizations and firms of both countries in the construction of projects in the USSR and Greece as well as in various fields of scientific and technological cooperation.

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CSO: 3500/26

EFFECTS OF LABOR 'LAYOFF' SYSTEM ANALYZED

Lisbon DIARIO DE NOTICIAS in Portuguese 22 Aug 83 p 2

[Editorial]

[Text] The proposed "layoff" system, which, if approved, will in future regulate the "legal provisions for suspending labor contracts," appears to be only the beginning of a vast and profound reform of the present labor legislation. In fact, according to statements made by the minister of labor, other draft laws, specifically on overtime, striking and picketing and lockouts, are in the process of preparation. This "labor package," going halfway to meet the demands frequently made by the owners associations, will doubtless have a heavy cost for the workers.

The purpose of the "layoff" system, as noted in the text submitted by Amandio de Azevedo, is very clear and precise. It is designed to suspend workers at enterprises in difficulties "for situational market, economic or technological reasons, or due to catastrophes or other serious events," for a period which may last up to 2 years. It is similarly applicable to enterprises declared to be "in a difficult economic situation." This means, of course, although this is not the intention of the law or the government, that practically all Portuguese enterprises would have good justification, if they so desired, for having recourse to the "layoff" system. They could always use as their argument, for lack of better or worse reasons, the economic recession or obsolescence or equipment renewal.

The first reactions, in a discussion which has only just now begun, were those which could be expected under these circumstances: respectful praise of the business federations, reticent good will on the part of the UGT [General Union of Workers], and total opposition on the part of the CGTP-IN [General Federation of Portuguese Workers/National Intersindical]. The positions on both sides are easily explained. For private businessmen, the law under discussion will not have repercussions in agriculture and will have little in trade. It is a question of sectors in which the overwhelming majority of the businesses are of small size. Its effects will be different in the industrial sector, despite the limited enthusiasm for the "layoff" system evidenced by the president of the CIP [Portuguese Industry Confederation].

The main target of this system will be above all and for the present the state business sector. Generally speaking, the large enterprises in Portugal are public. Many of them, for reasons which we have already explained here,

have been suffering from difficulties and, in the opinion of the government, making them viable will involve a harsh reduction in personnel. It plans to make possible the ambiguous process of "declaring an enterprise in a difficult economic situation." And, this being the case, the "acceptance" by the UGT and the rejection by the CGTP are not surprising.

The "layoff" system is not an "original" Portuguese invention. Identical legislative tools designed to maintain the competitive capacity of enterprises, but without entailing excessive economic or human damage, are found in other European countries. Within a context of crisis such as ours, it would not be unreasonable for the government to make an effort to eliminate what it calls the "white elephants" in the Portuguese economy. This is demanded by a budget showing increasing deficits; it is dictated by the "letter of intention" signed with the IMF; it is imposed by the need to modernize the economic structures. Now it is known that in some cases, only a certain flow of subsidies has succeeded in safeguarding thousands of jobs.

Economic recovery will have to involve, then, the destruction of some labor regulations in effect since 1974. It is foreseeable that it will also, in the immediate future, involve an increase in the rate of unemployment and the inevitable deterioration of the social climate. Will it be worthwhile? This will depend on how the limited resources available are used, under conditions of stable competitive capacity, in creating new labor posts. Otherwise, yesterday's mistakes will certainly not be corrected, it will be necessary to pursue a policy which does not reflect solidarity on the community level, and the "cost" of the sacrifice will probably prove to have been in vain.

5157

CSO: 3542/205

NORTH-SOUTH DIVISION IN DOMESTIC ECONOMY CRITICIZED

Lisbon DIARIO DE NOTICIAS in Portuguese 19 Aug 83 p 13

[Article by Agostinho Roseta: "North-South: A False Frontier"]

[Text] In an address delivered in Barcelos, the minister of internal administration took up a refrain which seemed to have fallen into disuse.

In a tone which recalled 1975, the minister said that "the northern part of the country is increasingly the inspiring force in Portuguese life and labor." Eduardo Pereira further said that "more thought should be given to the men in the rural sector who are working ... than to those in the Lisbon industrial belt."

Would that these statements were not paradigms of the style the government wants to impose on its relations with the country. Would that it were a question of a mere lapse in speech on the part of the minister.

The imbalances between the interior and coastal parts of the country and between the Greater Lisbon and Greater Oporto regions and the rest of the country are serious.

Between the north and the south the differences however are not so marked, except where the roots of party support are concerned.

It is a fact that the citizens in the interior are subject to economic, social and cultural discrimination. It is a fact that even the trade union organizations are less concerned about the workers in these regions than about those in the large cities, in particular those in the public sector and the large enterprises.

I have already, a number of times, had occasion to report that fact in these columns, in particular where the limited importance assigned to the establishment of the domestic minimum wage values is concerned.

We are living in an era of austerity and it is necessary that the sacrifices be distributed equitably. And in order to act fairly, it does not suffice simply to wait for a question involving one employer or one worker at the expense of another. Rather it is above all a question of the level of income each citizen or family group has available.

And when it comes to income level, it becomes indispensable to avoid confusion with declared income for tax purposes. There are known and scandalous situations involving individuals with more than one residence and more than one automobile who pay a smaller supplementary tax than a dressmaker who barely earns enough for food.

Given this situation, it is understandable that a government leader would say to those facing the greatest difficulties that their situation will be considered and measures taken to spare them costs they cannot bear.

One could also understand why the people in certain regions or the workers in the least favored sectors would warn the government leaders about the contrast between their situation and that in other sectors, as justification for the need to grant them treatment consistent with the specific nature of their situation.

But for a minister to incite one part of the country against another--that is what is totally incomprehensible.

Moreover, what engineer Eduardo Pereira said in the end proves contradictory.

He compares the "men in the rural sector who work" to those in the "Lisbon industrial belt," who he implies do not.

But on the other hand, he says that the north is "the force which inspires Portuguese life and labor."

Therefore either this last statement is not true or else the men in the Lisbon industrial belt are not a part of Portuguese life.

In his speech, the minister implicitly identified the men in the north with the rural sector. Thus the government excludes from its thinking the men in the north who do not work in the rural sector, and the men in the central and southern portions of Brazil who do not work in the rural sector.

Nor can the most careless observer fail to note that, in the kind of language used, the phrase "those in the Lisbon industrial belt" does not mean all of those who work there, but above all those in the public enterprises in industry and transportation, the workers at the Lisnave, in the metallurgical sector, in the CGTP and in the PCP [Portuguese Communist Party].

There are two worrisome indications here. On the one hand, there is a (clumsy) effort to divide the country in two, seemingly in a revival of the old line of thinking according to which "those who are not with us are against the country" and should be ostracized.

On the other hand, where the position of the government is concerned, it would seem that, fearful of a serious challenge, in the Greater Lisbon area above all, the government is trying to warn the "good Portuguese" in advance against the knavery of the "bad Portuguese."

When a government enjoys such a comfortable majority, one would hope that it would utilize the stability resulting therefrom to promote a practice of dialogue with the political and social opposition groups, such as to strengthen and deepen democracy, to give the regime new life and to broaden its own base of support.

And what can be said about the lack of confidence in the results of the pursuit of government evidenced by one who, being in the government, seems to want to provoke conflict in order to create scapegoats, instead of encouraging consensus and dialogue and trusting in the virtues of the solutions being urged?

We are living through difficult times. Situations involving unjustified privilege must be combatted. But this must apply to all, and not just those from which the political adversaries of those in power benefit.

It is essential to work and to produce in order to rise above the crisis. But it falls to the government to outline a clear path and define rules, to define priorities and to support those who produce what the country needs.

To say that it is necessary to increase productivity, while simultaneously limiting credit generally, instead of defining clear criteria for establishing priorities, and aiming at the limitation of production and consumption is to say that many enterprises will close and the unemployment will rapidly increase.

Can the government believe that with such a plan it is possible to mobilize the country to work harder?

The reduction of regional imbalances, in an approach designed to simultaneously improve the position of Portugal with regard to the international division of labor and the capacity for balanced economic relations with Spain, the EEC and the Portuguese-speaking countries, could constitute one of the great goals of a truly mobilizing national program.

Beyond discussion with the IMF, will it not be necessary to establish an autonomous definition of a willing strategy which the national community will adopt and implement with enthusiasm?

Instead of promoting or deepening division, would it not be better for the government leaders instead to motivate all Portuguese citizens (in the north and the south, on the coast, in the interior and on the islands, in the cities and in the rural sector) to undertake the building of a modern Portugal, making full use of the material and human resources available to the country today?

Two new frontiers need to be conquered: development in the interior and intensive exploitation of the resources of the exclusive maritime economic zone.

With realism, but with hope and enthusiasm as well, we must all commit ourselves to this, which represents the national undertaking of our day.

And this must be done with all, those in the north and those in the south, and not with those in the north against those in the south.

5157

CSO: 3542/205

DOUBT OVER CONVERSION OF FEDERATIONS INTO NATIONAL UNIONS

Istanbul CUMHURIYET in Turkish 11 Aug 83 pp 1,11

[Report by Sukran Ketenci]

[Text] A circular sent by Turk-Is [Turkish Confederation of Labor] to unions and federations affiliated with the confederation demands more intensified work in line with Turk-Is' views on implementations concerning federations.

Doubts had arisen in connection with the conversion of federations into national unions through a modification of their bylaws by their general assemblies following objections made to some of the general assemblies and views expressed by academicians to the effect that such a procedure is not legal. The circular, which was issued on this basis, claims that Article 1 of the law in effect provides for such an implementation. The circular says: "It is understood that federations can be converted into national unions by a special general assembly meeting they can hold and that this is in compliance with the law. We request that the parties involved obtain the necessary information, complete their general assembly sessions without hesitation and report the results to our confederation."

Beside the circular, which was signed by Turk-Is leader Sevket Yilmaz and Kaya Ozdemir, Minister of Social Security Sadik Side also said that the law permits such an implementation. However, labor law experts we consulted with after these statements were made charged that the provisional articles of the law are not sufficient to legitimize the said implementation. The legal experts stated that in order for the conversion of the federations into national unions to be legal, it is necessary for them to join an existing union or to start a new union.

Labor Ministry officials stated that they would not be able to express written opinion on this implementation, which does not conflict with the law and which has been endorsed by Turk-Is. These officials said that this issue will most probably be resolved by an amendment of the law.

POLITICO-LABOR VIEW OF SIDE'S TURK-IS NEWS CONFERENCE

Istanbul CUMHURIYET in Turkish 11 Aug 83 p 9

["From the World of the Worker" column by Sukran Ketenci: "Side's Press Conference"]

[Text] Last week, Minister of Social Security Sadik Side organized a press conference which he said was very important and would "constitute a reply to all criticisms." We felt the need to put our finger on a number of points which appeared to have escaped attention as judged by the way the conference was covered by the press.

The conference--during which Side declared that "there is no issue he cannot account for" and that "he has responsibilities in labor life as a worker-minister"--was held at the general headquarters of Turk-Is [Turkish Confederation of Labor]. To refresh memories, let us point out that following the suspension of Turk-Is as a member of the International Confederation of Free Trade Unions [ICFTU] Honorable Sadik Side made concessions and stepped down as the Secretary General of Turk-Is in order to reinstitute Turk-Is' membership in ICFTU. The fact that Side held his press conference at Turk-Is' general headquarters as Minister of Social Security and while he remains suspended as Turk-Is Secretary General led to debates about in what authority he held the conference as well as to various interpretations of his intentions.

Experienced Turk-Is unionist circles interpreted the timing and the location of the conference and the fact the subject of the conference was chosen as "accounting for [Side's] labor life" as the beginning of an election campaign for the coming general assembly meeting. According to these circles, Side thus announced to the public that he did not approve his forceful departure from his post in Turk-Is and that he is now a candidate for a position in the confederation once again. He was further implying that after serving as a minister for so long and after the developments in Turk-Is which ended in his forced resignation he would not want to serve as secretary general under the leadership of Sevkettin Yilmaz, but that he could be a candidate for the leadership of the confederation against Yilmaz.

We will all see how accurate these interpretations of experienced Turk-Is unionist circles are if and when the unions convene their general assemblies in time in accordance with the new law and if and when the Turk-Is general assembly is convened within the framework of the new law and union bylaws. However, we

would like to know if the unionists agreed with some of Side's views, including the issue of whether the fact that a minister--though with Turk-Is roots--held his press conference in Turk-Is' general headquarters blemishes Turk-Is' independence.

In stating his views in detail on each piece of labor-related legislation enacted since 12 September 1980, Side says that all these laws were based on the well-known 24 Turk-Is principles. In a second statement issued outside the press conference, Side discusses each one of these 24 principles and notes the "progress made" by the government's policies on each of these principles in 3 years. Also, in evaluating the new Unions Law, Side says that in general the law is beneficial for unionists who want to defend workers' rights and harmful for those who want to use unionism for goals other than serving the workers.

Every view deserves respect and must be listened to and evaluated. The Honorable Side has also implemented his views: The first general assembly to convene to comply with the new law was that of Seker-Is [Sugar Industry Workers Union of Turkey] which is headed by Side. Furthermore, this union endorsed the provisions of Article 14 on election of branch delegates (the voting system to be held under the supervision of a judge, on Sundays and by registered voters) which the administrators of Turk-Is and all affiliated unions said could not be implemented and should be changed. While other unions waited for the law to be amended, Seker-Is changed its bylaws to comply with these provisions and held its branch delegate elections.

Since the administrators of Turk-Is and affiliated unions have expressed their critical views and concerns over the new labor regime so frequently in public statements and union and academic meetings, let us sidestep examples on this issue and let us suffice by pointing to this very major controversy between Side and the administrators of Turk-Is and other unions. If the two sides say that there are no major differences between them, or if they pursue a policy along these lines, then that means that Turk-Is administrators at every level are not treating the public with honesty and that they are playing a two-faced game. We would not even want to think about such a terrible possibility.

9588

CSO: 3554/404

PAN-ESKIMO ORGANIZATION RESERVES SEAT FOR SIBERIAN ESKIMOS

Godthaab GRONLANDSPOSTEN in Danish 3 Aug 83 p 12

[Article by "solsi": "Siberian Inuit Get Observer's Seat in ICC; Hans Pavia-Rosing: 'An Outstretched Hand to Some Fellow Inuit Related to Us'"]

[Text] The 54 delegates to the general assembly of the Inuit Circumpolar Conference agreed unanimously last week at Frobisher Bay to reserve a separate observer's seat for the Siberian Inuit on the organization's executive committee. For the time being, however, the seat must remain empty, because the Soviet authorities up to now have denied the country's Inuit participation in Inuit cooperation.

Hans-Pavia Rosing emphasized at a press conference that the idea of leaving a seat open for the Siberian Inuit is not intended as a threat or affront to any government, but as "an outstretched hand to some fellow Inuit related to us."

Until the Inuit in the Soviet Union perhaps at one time become members of ICC, invitations to the organization's meetings will be forwarded through the USSR's representation in Ottawa.

A delegate from Alaska, Calec Pungowiyi from Saint Lawrence Island in the Bering Strait, related at the press conference that contact between Alaska and Siberia was cut off after the First World War.

"Before that time we visited one another and traded together," he said. "There are many of us in the Alaska delegation who have relatives on the other side. My grandfather came from Siberia together with his brother at the end of the 1800's."

"I have heard through informal contacts that the Inuit over there have now been moved from their settlements and live together at a single place where houses have been put at their disposal by the government and where they can preserve their own language and culture."

The two countries' governments and the political disagreements between them prevent us from keeping contact with our relatives. It is very unfortunate

that the Siberians were not able to come. I hope that ICC one day comes to include the entire circumpolar region," Caleb Pungowiyi concluded.

At one point he changed into his own language, Siberian Yupik, which is understood and spoken on both the Soviet and American sides of the Bering Strait.

ICC has invited the Siberian Inuit before the three general assemblies which the organization has held hitherto, but each time the result was a refusal.

8985

CSO: 3613/178

CONSERVATIVE PARTY TOUGHENING OPPOSITION STANCE

Helsinki UUSI SUOMI in Finnish 19 Aug 83 p 7

[Commentary by Ilkka Juva]

[Text] Lappeenranta--The largest opposition party, the Conservative Party, expressed its disapproval of the government in exceptionally strong language at its summer meeting held in Lappeenranta. The Conservative Party accused the ruling parties of deliberate election deception and of outright malevolent acts toward workers, among other things, by placing the Labor Ministry in the inept hands of the SKDL [Finnish People's Democratic League] and now the SMP [Finnish Rural Party].

The parliamentary faction, which has outlined a sharper opposition policy, repeated previous demands to democratize the manner in which the president is elected and to loosen up the qualified majority rule.

Party Chairman Ilkka Suominen's opening speech and the discussion following it demonstrated that the Conservative Party's opposition policy has, at least at the verbal level, become significantly more radical in comparison with the style of the previous election campaign. Two MP's even persuaded the faction from using excessively strong language.

On the other hand, the Conservative Party considers that it has been correct in its pre-election stands on Finland's economic policy line, the election and the number of terms a president can serve, and many other concepts now adopted by the ruling parties. However, the voice of the Conservative Party has not been heard and the party has not been able to "receive credit where credit is due" with moderate stances.

Direct Elections

Chairman Suominen guided the Conservative Party in a new direction with respect to the manner in which presidential elections are held. The Conservative Party has traditionally represented a more direct method of electing a president. Until now, the party has recommended direct elections, in connection with which there would also be an election of electoral candidates, who would make the final choice if a direct election does not produce a majority for any one candidate. Now the Conservative Party is recommending a two-phase direct election.

Suominen's proposal received the unreserved support of the parliamentary faction. This position was justified by the fact that the party believes in the deliberative ability of citizens to make an independent choice.

Only MP Ilkka Kanerva considered it necessary to point out that even the model proposed in the report of the so-called Hallberg committee will receive Conservative Party support unless a more direct democracy is achieved in this phase.

Suominen also staked out a new course for the Conservative Party in the qualified minority question. In spite of warnings from MP's Tuure Junnila and Pentti Mäkihakola, the Conservative Party is ready to discard the rule by which one-third of the members of parliament has been able to postpone legislation until after an election. On the other hand, the Conservative Party does not want to loosen up the qualified minority stipulations in determining the fundamental rights of citizens.

Suominen was supported by nearly all those who gave speeches. Among them were Erkki Pystynen, chairman of the parliamentary faction, and Pekka Loytty-niemi, chairman of the constitutional committee. In his speech Pystynen also demanded such revisions to the constitution which would increase the parliament's power. He considered the appointment of the prime minister as well as limiting the rights of the president, among other things, to be measures which would increase the power of parliament.

"Election Fraud"

The Conservative Party accused the ruling parties of falling back on their campaign promises in very strong language in Suominen's speech as well as in the statement issued at the conclusion of the meeting.

Prime Minister Kalevi Sorsa (Social Democrat) and Finance Minister Ahti Pek-kala (Center Party), in particular, were singled out for criticism. Indeed, they gave assurances that the Conservative Party was incorrect in its interpellation last spring.

Now the state's economic situation has, however, turned out to be in the opinion of the Conservatives just as untenable as the party argued at that time. MP Pertti Salolainen reminded Sorsa of election stances in which the prime minister intimidated the Conservative Party with an "axing policy".

"Now the government has turned out to be a government of an axing policy-election deception being carried out by Sorsa, Pekkala, and Vennamo," stated Salolainen in referring to the government's plans to cut back social security.

Chairman Suominen saw political deception and a despicable policy in the way in which the ruling parties have forgotten their campaign promises.

He demanded, among other things, the reform of the pension tax in the manner that was promised. In the opinion of the Conservative Party a proposal on

a complete reform of the pension tax should be introduced immediately before parliament at the beginning of the next session.

"The indifferent attitude of the leading ruling parties toward the management of employment is already apparent in the fact that the Labor Ministry has been left repeatedly in the hands of the politically inept. Throughout all of the 1970's the ministry was turned over to the SKDL since there was a desire to allow this party, which was primarily felt to be a burden, to deal only with secondary issues. Now the SMP has been placed in the role of the SKDL," explained Suominen.

"One cannot help but think that the SDP and the Center Party have wanted to commit malicious acts at the expense of these parties, but also at the expense of the unemployed," stated Suominen.

"Social Democratic Tax Breaks Must Be Placed Under Control"

The Conservative Party is also demanding an explanation of the tax breaks given to public utility corporations. The party does not approve of the fact that "the extensive restaurant operations practiced by the Social Democrats, for example, in various parts of the country enjoy a tax-exempt status".

The Conservative Party has announced that it will decisively interfere in other forms of hidden party support.

Limits Placed on Tiurism

In addition to the criticism directed at the ruling parties, Suominen had words of reproach for his own party also. According to Suominen, MP Martti Tiuri's statements over the summer on dismantling the area policy system do not represent the Conservative Party's stand.

Together with MP's Lauri Impio and Riitta Jouppila Suominen dictated a joint statement of the whole faction, according to which the Conservative Party faction will make area policy decisions on the basis of the party's programs.

Only Makihakola, Junnila, and in part Tapio Holvitie came to the support of Tiuri, who sat in silence.

Conservative Party and SKDL Promote Same Issues

The Conservative Party's parliamentary faction considered it necessary to prevent the postponement of the school legislation. Recognition was given to the idea of the Conservative Party Youth League to seek cooperation in this matter with the other opposition party, the SKDL.

SKDL Chairman Kalevi Kivisto supported this cooperation in yesterday's newspaper interview.

Both significant opposition parties seemed to have forgotten their ideological differences in this matter as well as in connection with the continuation of the pension reform.

SOVIET SHIPS REPORTEDLY REPAIRED AT PERAMA IN 1983

Athens I VRADYNI in Greek 18 Aug 83 p 1

/Text/ About 4 months ago, Greek authorities prohibited the repair of yet another Soviet vessel (the KIL-29) at the Navsi shipyards of Perama without justifying their decision!

According to completely reliable information of I VRADYINI, permission was not granted to repair either the KIL-21 (about which we wrote yesterday) or the KIL-29 because both of these vessels were outfitted with special equipment capable of "picking up" messages and maintaining surveillance on communications! A most significant fact if we take into consideration that just opposite Perama is the navy yard where most of the vessels of the Hellenic Navy are anchored.

In the meantime, yesterday's publication by I VRADYNI of an article headlined "Mystery Over a Russian Vessel" provoked special interest among political and diplomatic circles and constituted a subject of a discussion at the press room where the continually contradicted government spokesman stated that "the repair of the Soviet vessel was not prohibited." (The minister of foreign affairs' telex to MEW KRONOS SHIPPING /as published in English letters; most probably NEW KHRONOS SHIPPING/ explicitly mentioned "the repair of the KIL-21 is not authorized."

Also, the government spokesman stated that the shipyards were simply notified that the Neorion Syros state shipyards have the right for repair work on the basis of the contract.

Two Other Vessels

However, he was contradicted at this point because, as evidenced from I VRADYNI's investigation, two KIL-type Soviet vessels underwent repairs at the Perama shipyards in 1983! Simply put, the repair of these two vessels was permitted because they evidently were not outfitted with surveillance equipment as the KIL-21 and KIL-29 were.

Political observers who commented on the government spokesman's statement are asking themselves how the Soviets sent the KIL-21 and KIL-29 to Perama. These observers add, "Perhaps they did not know that the agreement does not cover them and that they should have sent these vessels to Syros."

The same information of I VRADYNI relates that the Soviets had requested the repair of the KIL-21 at the beginning of the year, but they suddenly put it off and asked that the KIL-29 be repaired instead.

Repairs on the KIL-21 were completed in the Perama shipyards about 2 months ago and included maintenance work on the engines and deck.

I VRADYNI's reliable information also relates that there are 50 KIL-type vessels and that they represent themselves as freighters or auxiliary (supply) vessels. A few, however, are spy vessels because of the communications surveillance systems with which they are equipped.

In fact, political observers are asking themselves whether the other two KIL-type vessels that underwent repairs in Piraeus were perhaps spy vessels, given the fact that Greek engineers who boarded them were always escorted and under strict observation by Soviet crews.

All sections of these vessels were "sealed off" and only the engine room was open to the repairmen, according to the witnesses themselves.

Doubts are also being expressed about the observance of the prohibition for the Soviet crews to go out following the confirmation that crew members of the two KIL-type vessels undergoing repairs in Piraeus had left their vessels on several occasions and were found playing basketball at Agios Kosmas. It is also not known if others traveled freely in Athens or Piraeus.

5671

CSO: 3521/431

GOVERNMENT RESIGNATION, CHANGES SEEN FOR NEAR FUTURE

Reshuffle of Ministers, Deputy Ministers

Athens MESIMVRINI in Greek 19 Aug 83 p 1

/Text/ The issue of the government reshuffle that has been occupying Mr Papandreou has come to an impasse over the past few days. The prime minister is realizing that the readjustment of the government and state apparatus makes necessary a change in the government's shape but at the same time he is afraid that this would upset the delicate intra-party balances prevailing today.

According to reliable information, Mr Papandreou is ruling out at this time a broader restructuring of the government and is even hesitating over certain limited changes which, according to the same information, will occur in September, while a broader revamping will take place in January. According to estimates of political observers, these limited changes will take place close to the time of the signing of the bases agreement.

Moreover, PASOK elements which have direct access to the prime minister consider that Mr Papandreou's movements have been greatly restricted by the fact that our country now occupies the EEC presidency and any government changes would cause confusion with unfavorable effects on the authority of the prime minister himself at a time when he is trying, through coordinated actions by his propaganda machine, to make himself appear as a leader with international illustriousness.

Nevertheless, the government reshuffle problem is being aggravated by the fact that Minister of Finance Koulourianos is insisting on leaving. Mr Koulourianos had previously submitted his resignation but was beseeched by Mr Papandreou to remain at his post.

Now, however, this last prospect is also being eliminated since Mr Koulourianos is insisting on withdrawing, something that makes the need for changes urgent. It is not being ruled out that Mr Koulourianos' post might be assumed by Deputy Kedikoglou unless he is limited only to the post of deputy minister of finance.

According to reliable information, if limited changes were to take place they would involve the withdrawal or replacement of three ministers and four to five deputy ministers.

With regard to ministers, it is believed that Mr Pottakis will, at any rate, be transferred or will rather get out altogether, while Mr Moraitus, who has completely failed, will be expelled. Also mentioned was the name of Minister of Communications Akritidis, but the latest information has maintained that persistent endeavors undertaken by Mr Tsokhatzopoulos have saved him.

According to information, the mini-reshuffle will also affect various deputy ministers, such as Messrs Valyrakis, Gikonoglou and Dimosthenopoulos, while there is still a question as to whether Mr Kapsis will hold on to his position. Mr Papandreou holds him responsible for significant errors in the handling of the bases negotiations.

At this point, the prime minister has decided that Minister of National Economy Arsenis should remain at his post even though the prime minister attributes to him, among others, significant errors on the issue of the dracma devaluation.

There is also a question about Deputy Minister of the New Generation Laliotis who has received the fire of the prime minister's close circle and who appears willing to leave the government "in order to devote himself to party work."

According to reliable observers, a broader government reshuffle is at this time set for the end of the year or January at the latest, at which time a radical change in the government's shape is expected. The same sources feel that in this case even those ministers who are considered unshakeable will not remain in their positions. These include Mr Koutsogiorgas, while even Mr Gennimatas will be transferred. The prime minister is criticizing Mr Gennimatas for disorganizing the party mechanism.

It is also being said that President of Parliament Alevras will be appointed vice president of the government, while present reserves, such as Messrs G. Mavros and Ap. Lazaris, will be utilized. These two men have made it clearly understood to Mr Papandreou that they would not agree to assume government responsibilities unless certain individuals withdraw and unless a decisive turn, especially in economic matters, is made toward more realistic directions.

Also being discussed is the return of Mr Petsos to the government. There is, however, also the thought that Mr Petsos will be encouraged to move in some way independently in the centrist area if it is deemed that this area has decisively moved away from PASOK.

Finance Minister's Position

Athens MESIMVRINI in Greek 20 Aug 83 p 1

/Text/ MESIMVRINI's information that there is a Koulourianos problem was not denied by the government yesterday but to the contrary was reinforced by various other sources. It is said that the minister of finance once again submitted his resignation to Prime Minister Papandreou who asked him for a new "extension of time" to accept it so as to prevent provoking "a major political issue!"

This is the second time that Mr Koulourianos has submitted his resignation but this time he is said to be "unpersuadeable."

As is being said, the reasons for Mr Koulourianos' resignation have no connection with the revival of the FAP /Real Estate Tax/ through "objective" price estimates on real estate but are connected rather with the minister of finance's disagreements over issues of "socialist government" and more generally with the government's "economic management" in the fields of public expenditures, income policy and the handling of foreign currency matters.

According to this information --that could not be officially confirmed-- Mr Koulourianos is discouraged over the way government decisions on economic matters are made. Without the competent minister (the minister of finance) even being asked, "measures" are proclaimed and promises made for which no possibility exists for their being implemented because of a lack of state resources.

More specifically, Mr Koulourianos is said to be opposed to the ESY /National Health System/ --even though he had countersigned the relevant bill-- since he maintains that not only is it impossible to finance the ESY with 100 billion drachmas the first years and 200 billion annually subsequently but because anticipated salaries for hospital doctors would upset the hierarchy and wage structure of the state.

More generally-speaking, Mr Koulourianos is opposed to the way economic decisions are made, either by the close circle of the prime minister's associates or by the minister of national economy who has concentrated into his hands all economic authority since he also "manages" the Bank of Greece. In other words, the lack of a spirit of "socialist solidarity and cooperation" in the government is considered by the minister of finance as a basic reason for the ineffectiveness of the economic policy and the consequent errors.

At the same time, Mr Koulourianos does not hide the fact from his associates that he is dissatisfied with many of his fellow-ministers who do not realize the need for cutting back on public expenditures and the closing of the gap between revenues and expenditures in the state budget.

It also appears that the minister of finance disagrees with Mr Arsenis' foreign exchange policy which, nevertheless, has the ex post facto approval of the prime minister.

(It is indicated in this connection that the minister of finance bears the responsibility for foreign exchange policy because of the servicing of our foreign debt in foreign currency. This debt is estimated at 10-12 billion dollars, plus 4.5 billion dollars that represent deposits in foreign currency of Greeks abroad. The amortization and interest on this tremendous foreign exchange burden are paid for by the Bank of Greece and are increased drachma-wise each time the drachma is devaluated. Nevertheless, the minister of finance, who is also responsible for the price increase in fuels --since it results from the increase of duties-- is not asked by the minister of national economy when the latter decides, in his capacity as director of the Bank of Greece, on the foreign currency policy being followed).

Nevertheless, between the two ministers, Prime Minister Papandreou continues to give priority to the minister of national economy. Thus, the departure of Mr Koulourianos from the Ministry of Finance is considered as being essentially inevitable. At the same time, however, the idea about the departure of Mr Ger. Arsenis from the Bank of Greece has also gained ground. The holding of this post by the minister of national economy, besides the fact that it constitutes a blatant case of "multiplicity of positions," has caught the attention of international economic officials who have notified the prime minister about this incompatibility. In no European country is the director of the central bank also the head of the economic sector of the government.

Mr Koulourianos, nevertheless, is no longer laying claim to the position of director of the Bank of Greece. Basically, he wants to leave government. And that is considered by political and economic officials as being more significant than his formal and substantial disagreements! However, information from other sources represent Mr Koulourianos as being transferred to the Bank of Greece with the basic duty to put the currency and foreign currency matters of the country in order. It is to be noted that Mr Koulourianos had come from the Bank of Greece from which he had been removed by the dictatorship.

5671

CSO: 3521/431

PASOK'S MISTAKE: RHETORICAL HYPERBOLE, FACTUAL INDECISION

Athens ANDI in Greek No 239, 19 Aug 83 p 3

/Editorial: "Cosmopolitan Initiatives"/

/Text/ World-wide agitation, a wonderful situation. An opportunity for some new initiative! The prime minister must have thought something like that when now with the responsibility of the EEC presidency... he has internationalized his presence.

Thus, and even while the silence with which the Greek proposal over European intervention in Central America was received has not yet dissipated, the prime minister hastened to invite the socialist leaders of southern Europe to new adventures against the "American provocation."

Many will see in these initiatives the manifestation of a more or less genuine --perhaps a self-evident-- anti-imperialist policy. Others will see a radical version of an old West European vision for a new international order that associates a proposal for the confrontation of the crisis of the western imperialist world with the improvement of the position of the Europeans vis-a-vis America. Some third parties will see something of a mixture of the two.

As for ourselves, we cannot pass judgement with absolute certainty if behind the Greek initiatives lie a socialist utopia or some socialist realism. We, nevertheless, feel obliged to make certain observations that go beyond the black and white of propagandistic ideals.

First of all, the essence of the conflict between Americans and Europeans was to be found in the way taken and directions assumed by the change (and not the upsetting) in the relations of dependence and exploitation between the "center" and the "perimeter." The object of this conflict was who was going to pay for the economic cost of this change and who would come out politically a winner from it.

Secondly, if all of this had been played out in the recent past and up to now, today it appears that we are at a critical and perhaps definitive turn in this conflict where --and this is a reality from which no one need hide-- the Americans will impose their own conditions in this universal game. The economic and currency war with the EEC on the one hand, and the new cold war and armaments race with the USSR on the other hand, appear to bring the United States very close to its goals:

- The restoration and strengthening of the economic and politico-military adhesion of Europe to American choices.
- The determination of every aspect of international policy from the standpoint of U.S.-USSR bipolarity.

These two facts are already creating some predetermined conditions in developments that otherwise could have opened new dynamics on the world scene.

Within this context, a strong European opposition to American provocation is necessarily confined to the game of bi-imperialistic opposition without any possibility of its gaining any other dimension.

Coming back to Greek international initiatives, we ask: How useful is it for the Greek Government to appear as the standard-bearer of a world-wide anti-American movement and of a conciliatory vagueness (regardless if it is covered by populist blustering) on issues that relate to Greece's vital issues (bases, Aegean, Cyprus, NATO, EEC, Balkans, Turkey and the Middle East)?

Perhaps it would be better if this aspect were turned around: a more decorous international presence, tied in with a clear concreteness of our national positions on issues of this vital area. If compromises are needed, let us know what they are and why they are needed.

However, what would be destructive would be the association of rhetorical hyperbole with genuine temporization and indecisiveness. Adventurous secret state diplomacy can resemble non-aligned national policy, but that is another story.

5671
CSO: 3521/431

ND, KKE 'MACHINATIONS' IN AMNESTY-TO-JUNTISTS ISSUE

Athens ANDI in Greek No 239, 19 Aug 83 pp 16-17

/Commentary by the "Reporter": "Amnesty to the Juntists or How a Piece of Information is Fabricated for Use by Parties and Leaders"/

/Excerpts/ At the very moment when the government announces the celebration of the Polytechnic Institute for 17 days, the ND parliamentary representative uses the description "juntist" for some of the government's handling of issues and the KKE youth raises anti-dictatorship issues in connection with its festival, while these two parties and their staffs are using the amnesty of the juntists as "an ace up their sleeve" in this political game.

Whatever is referred to here has as its motive a hatched "exclusive" piece of information recently transmitted by an ND heir apparent. The "news" mentioned that a decree has been prepared for the release from prison of all the juntists --except for G. Papadopoulos-- and the problem is limited to "what party would benefit if the news were publicly made prior to the elections." ANDI asked for clarifications from two government ministers on this "news" and then received a categorical denial. We have every reason to believe that this denial is sincere.

But why, therefore, was the "news" invented? Are there perhaps some real facts that make it appear as true?

Let us examine these two questions. It is useful because even though we consider the information as prefabricated, it shows the extent of the political game of the Greece of today.

Party Opposition

We must first of all make clear that no one --even those who are dreaming of a new aberration-- considers the "Aprilists" or "Novembrists" as a significant political force. Those who dream about an aberration or would be interested in such a development well know that the juntist convicts are nothing but "marked pieces of paper." The only value of the juntists for political purposes is their being developed for the creation of a certain psychological climate that some of our politicians feel could be of use to them and harm their opponents. Whether or not it is permissible or politically mature does not appear to be of any concern to them.

PASOK

There are some elements in government circles that consider amnesty of the juntaists and the creation of an extreme rightist party will break off forces from ND and in this way the losses suffered by the government party through damage done by its clumsy handling of issues will be stabilized.

The issue had, of course, been discussed and the view finally prevailed that the gesture would have constituted a great political error and a suicide for PASOK that would be indebted with the political cost.

KKE

The KKE has already made its gesture. The press conference held by Kharilaos Florakis with the juntaist Grip. Mikhaliopoulos is well known. ANDI dealt with this in its previous issue. So, Khar. Florakis had stated --and this was not subsequently denied-- that his party would not have objections if the government were to agree to grant amnesty to the juntaists.

Two explanations were offered by political observers for this statement by the KKE secretary general:

- The first explanation lies in the fact that he committed an "error" --concerning which he engaged in self-criticism at a closed-door session of the party political bureau-- starting out with the view that his party must become accepted by all segments of Greek society, even by the extreme rightists, as a commanding factor in the political life of the country.
- The second explanation is that Khar. Florakis thought that ELEVTHERI ORA would make "discriminating" use of his words and that the amnesty --if finally granted-- would damage PASOK politically and ND numerically. In other words, the KKE would in the long run come out the winner, the only thing being that it did not correctly calculate in this case the "discrimination" of the proprietor.

ND

Of course, many ND cadres know about the behavior of the bridge-building president, the sheltering of many of the junta's "sympathizers" within the ranks of ND and the general distinctive behavior of the "rebels." This burden had to be in some way shaken off and the easiest way was considered to be that it was PASOK's obligation to take the initiative for granting amnesty to the juntaists. Besides, amnesty would constitute yet another point of friction between the government and the president of the republic who had voiced that phrase "when we say for life we mean for life." The latter seems to be seriously concerned over many of the initiatives being taken by the government: changes in YPEA [National Security Service] and KYP [Central Intelligence Service] and their being staffed by "green guard technocrats," changes in the security corps and primarily changes in the hierarchy structure of the army that disengages the government from creating conditions for organizing a combat ready and modern defense mechanism. At the same time, however, a series of matters and regulations that were up to now capable of being checked by the Right have been done away with.

Finally, a rumor about amnesty is considered by "liberal radicals" as providing the president of the republic with arguments to hinder the operation of the government's task.

However, it is evident that all of these small party judgements are harming the entire political world and are shaking their faith in the institutions --however weak they are-- of our post-dictatorship democracy. And the quite crafty heirs apparent do not seem to realize at all that the butchering of the government's task with such methods is in the long run doing damage to their own political party.

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CSO: 3521/431

ALTERNATIVES TO EEC MEMBERSHIP SEEN AVAILABLE

Lisbon DIARIO DE NOTICIAS in Portuguese 25 Aug 83 p 2

[Editorial: "The Alternatives"]

[Text] Portugal's obvious strategic alignment with the Western countries appears to have dampened the enthusiasm with which the European Community received the Portuguese bid for admission and the interest with which they often invoked the precedence of the political reasons for membership over the inevitable economic problems.

Such arguments, even if they are still heard in official ceremonies, are no longer matched by any active effort to pursue the admission process, which has been dragging on now for 5 years, with no deadline in sight.

Hence it is not surprising that the present government, using new language and assuming a new attitude, more like that of the Gonzalez government than that of the previous Portuguese administrations, recently declared in Greece that Portugal has other alternatives available if it is not admitted to the EEC.

With small differences in form, the phrase has been used by the prime minister, the foreign affairs minister and the chairman of the Commission for European Integration, in a succession of statements. This is certainly not accidental and apparently represents a change of tone in the lengthy dialogue between Portugal and the EEC.

These options, unspecified up to now, have just been named by Jaime Gama: Africa, Japan, the United States, Latin America. Reinforcing the new tone of the dialogue, Gama also said that "Portugal is not going begging to the Common Market" and that "admission cannot continue to be postponed indefinitely." This same change in language is also clear in the demand that the communique from the EEC summit meeting in Athens, on 6 December, be "more conclusive than the one from Stuttgart."

It is certainly ironic and (perhaps) unexpected that, just when the governments of southern Europe--France, Greece, Italy, Spain and Portugal--are introducing a socialist leadership, with similar basic programs, the Iberian countries are encountering greater obstacles to full membership in the European Community. Unfortunately, national egotism apparently supercedes any ideological solidarity, so much so that the peninsular states are reduced to a status similar to if not less favorable than that of certain North African countries.

The issue, then, is whether the North-South boundary crosses at the Pyrenees or at Gibraltar. It would behoove the EEC nations, specifically France and the FRG, to understand that this does not simply represent an economic choice. There will necessarily be a political and strategic price.

'HOT' ISSUES AHEAD ON POLITICAL SCENE

Lisbon O JORNAL in Portuguese 26 Aug 83 pp 10-11

[Article by Caceres Monteiro: "Severn Hot Issues"]

[Text] On the national political scene, there were few issues with any real impact this summer, but the autumn promises to be very lively--an appetizer for a very important 1984.

1. Increased Social Tension

The increase in the cost of living and the containment of wages; the cutback in credit and the failure of many companies; unemployment owing to shutdowns or collective layoffs; with the worsening economic situation, the political temperature will rise in the coming months, starting in October. Demonstrations and strikes, highway and rail interruptions, growing criticism of the government actions, more aggressive action by the opposition parties in parliament--the wave of discontentment is coming. Despite all this, can Mario Soares continue to gain in the opinion polls, as the figures in certain studies by survey groups currently indicate? This depends largely on the government's own self-image.

The CGTP/Intersindical [General Federation of Portuguese Workers/ National Intersindical] plays an important role in the dispute with the government, wagering its prestige on it. However, the UGT [General Union of Workers] is also having its "trial by fire," to see to what extent it is simply the government's messenger boy and how much influence it has. The most interesting factor in this situation is that the right and left could "connive" in a real social pact against the government.

2. Beginning of the Race for the Presidency

The politicking has already begun. Just last week came the statements from Antonio Capucho that the PSD [Social Democratic Party] could support Mario Soares in the presidential campaign. From a negotiator of the "central bloc," such declarations are especially relevant, since they strengthen the supposition that this was an underlying point in the discussions for the formation of a PS [Socialist Party]-PSD government.

However, the announcement of candidacies should not begin until the spring of 1984, which is still more than a year before the elections.

If the PSD supports Mario Soares, Freitas do Amaral's candidacy will gain new life. If the PSD presents a strong candidate, the possibility of this will be reduced. At the moment, it is impossible to guess what position the Social Democrats will take; only after the [party] congress, when the correlation and alignment of internal forces are better known, will we have a more concrete idea. Mota Amaral and Francisco Balsemao continue to be two consistent possibilities, but Firmino Miguel or Lenos Ferreira could emerge if the PSD opts for a military candidacy.

Like everything that comes out of Belem, Ramalho Eanes' support for one or another candidate is shrouded in the greatest mystery. Not too much importance should be given to the reports regarding the candidacy of Almeida Costa, present governor of Macau.

Everyone is waiting for the situation to ripen before taking a definite stand. For now, only the Soares candidacy is certain.

The PCP [Portuguese Communist Party] will have more time to choose a candidate; it could support an "independent," such as Vasco Goncalves, or an intellectual, or choose to "manufacture" a candidate from within its own Central Committee.

3. Contest for Succession

Mario Soares' presidential candidacy forces him to withdraw from his functions within the party, as he himself has already announced. Three individuals appear well placed to assume the party leader's duties: Almeida Santos, Jaime Gama and Vitor Constancio.

Constancio, who did not make the mistake of allowing himself to be absorbed by the majority line, recently distancing himself from the other members of the so-called "former-secretariat" group, has remained in the best position to assume the high-level functions of the party.

Almeida Santos has an image more closely connected with government and could be the future prime minister of an executive minus Soares.

Jaime Graca is the "dauphin" par excellence.

The next party congress, to be held in October, will also clarify the relation of forces within the party, with a possible realignment.

At the moment, in the government, the PS not only has a center and sometimes even center-right position but it does not have a credible left wing.

With the resumption of political activity, Jorge Sampaio and his friends will have one last chance to assert themselves with an independent program, or risk disappearing from the political scene.

In the PSD, things are much more complicated, because there is no uncontested leadership. Mota Pinto and Francisco Balsemao are waging a fierce battle to gather in the small groups in which the party is splintered and to attract the "barons" and "baronets." However, the group of Marcelo Rebelo de Sousa, Pedro Santana Lopes and Jose Miguel Judice seem disposed to maintain its autonomy, with all the advantages of those who set their sights further in the future.

The PCP will hold its congress at the end of the year, with no great novelties expected. The issue of Cunhal's succession should not come up; the shakeup will be limited and perhaps marked by a stronger female component on the Central Committee.

In the CDS [Social Democratic Center Party], much will depend on the position of Freitas do Amaral regarding the presidential campaign. If the party leader decides to run, Lucas Pires cannot deny him his support. Luis Barbosa, also with his candidacy in mind, will attempt to develop his "New Democracy." CDS personalities will seek to extend their influence outside the party.

4. President's Plans

Will the resumption of political activity continue to signal a decline in the influence and popularity of Ramalho Eanes in favor of Mario Soares, as currently unpublished surveys have indicated up to now?

With the government's ruthless control over television, the president of the republic has almost been forgotten.

Is Eanes interested in making a reappearance in his remaining years in office? Is he thinking of supporting a candidate in the presidential election? What role will he reserve for himself after he leaves Sao Bento Palace? Is he thinking about creating or endorsing some political group?

What will the "Eanists" or "presidentialists" do in the coming months? Will the figures who are not included in the MAD [Movement for a Stronger Democracy] be inactive, and does MAD have plans to relaunch itself in the autumn?

In this area, it is impossible to do much more than raise the questions.

5. Military Chiefs

This is another sector in which there are more questions than answers. The only sure thing is that Melo Egydio will leave the post of armed forces chief of staff in 1984 and enter the reserve.

The big issue in the new political season will be the presidential decision on the government proposal to relieve Garcia dos Santos.

His possible replacement or that of Melo Egydio next year could intersect with the question of the presidential candidates. To what extent can these posts be used to launch military candidates for the presidency? Some posts could also become vacant later on, when candidates declare themselves.

For the time being, naturally, all this is nothing more than journalistic speculation.

6. Parliament

The Assembly of the Republic is going to have a "pre-debut" on 14 September, to elect members of the delegation to the European Parliament.

The great political battles will come more than a month later.

In the parliamentary groups, there will be some reasons for interest.

Things will be calm in the PS bench, but it will have to find a replacement for Walter Rosa, who has been appointed ambassador to Paris.

The biggest battle will be for the duties of leader of the PSD parliamentary group, where the latest news regarding the correlation of forces within the party is that Joao Salgueiro is still the favorite, well ahead in the race up to now.

The firmness of the base of support for the government depends on the cohesion of the PSD parliamentary group. We shall see.

7. Government Shakeup

Although it is still early for it, the political "rentree" will at least mark the beginning of rumors of the possibility of a shakeup. The ministers of public equipment and education are shaky, and there could be an immediate readjustment there. But the major shakeup, which will include Mario Soares, will not come about until next year, at the onset of the race for the 1985 presidential election.

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CS01 3542/209

POLL SHOWS POPULARITY OF POLITICAL FIGURES

Lisbon EXPRESSO in Portuguese 13 Aug 83 pp 12R-14R

[Article by Joaquim Vieira]

[Excerpts] Today we will make a trip through the "real country." In fact, it is predominantly the tastes of these groups which are reflected in the EXPRESSO EUROEXPANSAO poll to establish what public figures are most popular.

There is one surprise: it is a fact that Mario Soares is rather well ahead of Ramalho Eanes in the choice of the most popular politicians (they are first and second, respectively). In fact, in earlier surveys concerning the popularity of political leaders, the president of the republic has traditionally ranked first.

However, there is a plausible explanation: in this study, no names were submitted to those surveyed in advance, while in other polls it has been usual to ask the interviewee to choose an individual from a list presented to him. Now in January of this year, EXPRESSO presented the results of a EUROEXPANSAO poll, which had to do precisely with the political institutions in Portugal. In it, one of the questions pertained to the voters' opinions as to the political level of various public posts. Ranking first, as the most political positions, were the posts ranging from deputy to minister, followed at a considerable distance by the posts of president of the republic, president of a municipal chamber and president of a parish council (the positions of military commander and judge came last). It is possible, then, that a large proportion of those interviewed see the position of the Portuguese chief of state as nonpolitical or suprapolitical, and on being asked the name of their favorite politician, they choose someone from the governmental or party spheres.

This thesis in itself represents an effort to explain the seeming "about-face" noted, without any desire to offend anyone at a time when the race for the 1985 presidential elections has already begun.

Method Used in the Poll

The group surveyed was the population 15 years of age or over residing in continental Portugal in communities with five or more inhabitants.

POLITICS

	Mario Soares	Ramalho Eanes	Alvaro Cunhal	Freitas Amaral	Lucas Pires	Mota Pinto	Pinto Balsemao	Helena Roseta	Mota Amaral	Mario Tome	No One	Others	No Res- ponse
TOTAL	20.5	9.1	8.4	5.8	5.3	4.9	1.1	0.9	0.7	0.4	11.0	3.8	28.1
Northern Coast	15.8	6.6	8.5	6.5	3.2	7.9	1.8	0.0	0.9	0.7	14.7	1.6	32.0
Northern Interior	23.1	8.3	8.7	1.6	9.6	2.4	0.7	0.0	0.0	0.0	3.0	5.7	36.9
Southern Coast	20.3	14.9	5.8	10.4	3.5	3.7	0.0	1.1	1.2	0.6	17.3	3.6	17.6
Southern Interior	31.1	8.4	12.8	5.2	5.0	3.1	1.6	7.0	1.4	0.0	6.1	7.0	11.3
Upper and Middle Upper	14.4	19.9	2.9	6.9	7.6	8.3	0.0	0.0	4.9	0.0	13.4	8.3	13.3
Upper Middle	20.7	6.0	10.3	7.9	9.2	4.2	0.5	1.0	0.9	0.4	15.1	4.3	19.6
Lower Middle	21.3	9.3	8.1	4.4	2.6	4.7	1.6	1.0	0.0	0.4	8.2	2.7	35.6
Under 25	21.8	8.2	10.4	6.1	9.8	3.3	1.8	1.8	0.7	0.0	15.2	1.6	19.3
From 25-34	15.4	12.6	14.1	2.2	4.0	7.3	0.0	1.5	1.5	2.2	14.0	3.4	21.9
From 35-44	21.8	8.9	8.3	5.0	3.4	5.4	2.3	0.7	1.0	0.0	7.6	4.9	30.8
From 45-54	19.6	12.7	3.9	4.8	2.1	4.6	0.0	0.0	0.9	0.0	11.8	3.8	35.8
Over 54	22.4	5.6	5.4	9.3	5.4	4.5	1.0	0.5	0.0	0.0	7.1	5.2	33.8
Masculine	19.9	8.1	9.7	4.8	4.4	7.0	0.9	0.0	1.3	0.6	13.6	4.6	25.0
Feminine	20.9	10.0	7.2	6.7	6.1	3.0	1.2	1.7	0.3	0.3	8.9	3.1	30.8

The sampling included 603 individuals contacted directly and personally. A random selection was made in multiple stages, based on a stratification established by the interrelationship of the following variable factors: region, socioeconomic development and population size. Balancing was effected on the basis of these variables, sex and age.

Data was collected in interviews held between 22 and 26 July 1983 in 92 localities by 32 supervised interviewers. Data was collected by means of a structured questionnaire.

As to the reliability of the results, the maximal margin of error (with a level of importance of 0.05) is plus or minus 4.0 percent of the total.

EUROEXPANSAO was responsible for the poll, and ESPRESSO for the analysis of the results.

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TENSIONS, POSSIBLE REORGANIZATION WITHIN CABINET DISCUSSED

Lisbon DIARIO DE LISBOA in Portuguese 10 Aug 83 p 7

[Article by Pedro Cid: "Cabinet Reorganization in October or November"]

[Text] A reorganization of the cabinet, involving one or two ministries and the replacement of a number of secretaries of state, is regarded as necessary, or even essential, before the end of this year. This is the general opinion shared in the circles with greatest responsibility for the present government coalition, located on a higher level and possibly not yet passed down to the lower echelons.

In fact, although the main guidelines for austerity are known, the Ninth Constitutional Government has a double test ahead of it, involving its internal consistency and also the strengthening of its own authority in democratic terms.

This will be a difficult test, and therefore we have tried in the course of recent days to effect a tour within the cabinet. This was hindered by the fear on the part of many of those providing information, supplementing data or confirming scenarios. There is, moreover, a patent fear in government circles of everything which smacks of information. Secrecy is the order of the day and a journalist or reporter is someone who should be kept at arm's length. Despite this, there are those on the highest governmental level, in the party leaderships and within the respective party machines who still believe that the country needs to be informed clearly and accurately.

The present cabinet has as its basic pillars a triad, or to be more prosaic, a triumvirate: Mario Soares, Mota Pinto and Ernani Lopes. These are three men with three different visions of the same complex of problems. We heard this characterization from the lips of someone with considerable responsibility for the coalition. An opposition leader, however, spoke in more linear fashion. "These are three political animals, all very powerful, each lunging in his own direction."

How long will Ernani Lopes continue to have the political support of Mario Soares and Mota Pinto? The question is pertinent, because faced with the possibility of sectorial nonfulfillment on the part of some of his colleagues in the cabinet, Ernani Lopes did not hesitate to say to the opposition leaders that he is aware that "it will be necessary to be angry with certain ministers."

Moreover, concerning this, a government source told us: "There are few ministers capable of bearing up under the developing contraction. And with regard to the drastic reductions which the OGE will impose, there are only two attitudes: either they deem it a political deception to escape this conditional aspect, or they go ahead anyhow."

Either of these two attitudes will generate tension and even open crisis. The predictable strategies of these three men are also unsynchronized in time and may possibly not converge. Even though, as a theoretical hypothesis, there are those in the coalition today who would now like to establish a scenario with Mario Soares as president of the republic and Ernani Lopes as prime minister, an independent supported by the PS [Socialist Party] and the PSD [Social Democratic Party], the truth is that from there on we would be in a realm of hardly desirable speculation, and that analyses on a situational basis would advance us little for the time being.

Nevertheless, the strategy of Ernani Lopes is so to speak untimely. The current minister of finance has made acrimonious and very sharp criticisms of the AD [Democratic Alliance] administration, and he has done so bluntly to the leaders in the opposition, in particular the CDS [Social Democratic Center Party]. This circumstance has been an excessive embarrassment to the PSD, since it was mainly some of its leaders who were directly responsible for the economic chaos which developed. In a statement yesterday, the minister could not have been clearer: "The Portuguese economy was not directed so as to make any significant adjustment to the new realities in the situation." In view of this, how can this minister (the opposition asks) keep the same secretary of state for the budget the Democratic Alliance had on his team?

Ernani Lopes is also obsessed with certain dogmas (technical and political) and the opposition has insistently said that "either these measures produce results, or the citizens of Portugal will even have to experience hunger." This minister's speech "is superconservative," we were told by a CDS leader in the liberal wing who also evidenced a number of doubts about the capacity of this government for effective action in macroeconomic terms.

On the other hand, there is emphasis on the concern with persuading the public that it will be the rich who pay the price of the crisis. This would explain the increased fiscal burden (new taxes) which the government plans to carry forward in the special session of the Parliament beginning on 15 September. Only the OGE will find later that the middle class will be more affected and that the least favored classes will find their daily life still more difficult. This would lead to tremendous social tension. The political horizons of Mario Soares and Mota Pinto are framed by clearly defined time limits, and they can be situated, on the one hand, in terms of the holding of the congresses of the respective parties (with Mota Pinto having a greater disadvantage, given the internal power struggles which are already developing) and the decisive moment in the presidential elections, and the choice as to candidates.

Apart from all this, the situations of conflict within the present cabinet can no longer today be concealed and have consequences which cannot yet be predicted.

Let us note first of all the most public and notorious case, that having to do with the differences between Minister of Public Equipment and Transport Rosado Correia, on the one hand, and Secretary of State for Public Works Eugenio Nobre, on the other. Although the two men are said to have had a very long conversation on Monday, and it is reported that the minister and the secretaries of state under his jurisdiction met yesterday, the truth is that both in the PS and PSD, it is believed that the two remain far apart because of "a clash of personalities concerning their respective jurisdictions and policy lines, mixed with problems of a personal nature" (this description comes from someone on the highest level who is fully familiar with this whole matter). And thus, there is a potential here for future conflict which in the opinion of the higher levels of the coalition could only be resolved in a future cabinet reorganization, "unless matters become more acute and suddenly and unexpectedly demand a drastic decision." In other words, the departure of both men.

Conflicts of a personal and conceptual nature where the forestry policy is concerned also separate the minister of agriculture and the secretary of state for forests (who is apparently suffering from somewhat serious heart problems). The secretary of state issued an order within his department, but the implementation of the order was halted by the minister while the secretary of the state was out of the country. Beyond the open dispute, which has not as yet been entirely resolved, there remain differences in political concept, aggravated by the fact that both the minister and the secretary of state are university professors, with the rivalries, some of a subjective nature, characteristic of such situations.

Another sector which might potentially generate governmental tensions is education. Jose Augusto Seabra is accused of lacking technical capacity, of failing to take a stand on vital matters and of practically failing to take action. The changes he has made in the general offices are viewed on various levels with apprehension, and some general office directors, among them the head of the FOAS, have already asked to be released. In an article published today in POVO LIVRE, Vitor Crespo even predicted something like a political tempest in October or November. And everyone seems convinced that the worst is yet to come. It is a matter of waiting to see what happens.

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MOREIRA SEEN EXCLUDED IN FUTURE CDS MOBILIZATION

Lisbon O DIA in Portuguese 23 Aug 83 p 9

[Commentary by D.E.F.: "From the Isolation of the CDS to the Isolation of Adriano Moreira"]

[Text] It is said that the CDS [Social Democratic Party] is preparing to resume its opposition activity in the coming months, activity which we have not seen recently. Centrist leaders were on vacation, so in June and July there was little activity from the only democratic party of the opposition, either in parliament or outside it.

It is now said that the CDS will assert itself more forcefully, starting in October, and that this not only means more dynamism on the part of Lucas Pires but also the appearance of individuals who have taken a position of cautious distance up to now, as in the case of Moraes Leitao. With Leitao and Pires coming together and the settlement of the quarrels between the "Barbosistas" and the "Piristas" in the last party congress, there could be an understanding (in which Azevedo Soares might also take part) which could enable the party to become more aggressive.

At this time, and as a result of the last congress, the CDS is almost meeting in the middle, since the 40 percent of the defeated minority has laid down its arms and the 60 percent victorious majority came to follow various orientations, lines and individual leanings. As soon as there is a rapprochement between the 40 percent who were defeated in the congress and a significant part of the 60 percent who were victorious in it, it can be said that the possibility of a more cohesive, unified and effective CDS offensive is also more likely.

In the "Barbosista" wing, Moraes Leitao could be one of those to play an important role, along with Lucas Pires and Azevedo Soares. In contrast, Adriano Moreira is very much isolated (and very quiet in recent months, incidentally). Even among the so called "Piristas," Moreira is hardly considered to have an attractive public image. In many cases, he did not manage to do what he could have done in the last electoral campaign, to win votes on the right, since the PSD captured these votes--although through the illusion of a position which it later failed to adopt. Hence even among the "Piristas," Adriano Moreira is seen as having less influence than he thinks, within the party and, above all, with the electorate.

The so-called "Barbosista" sectors feel the same way about him, or even worse. Therefore, when they begin to come together, Adriano Moreira will be isolated, along with two or three other relatively weak factions.

The idea of promoting the CDS in social-professional circles and among the youth, following the convergence of the "Barbosistas" and yesterday's "Piristas," who could come together now, will isolate Moreira, who carries more weight at the level of certain districts in certain regions of the country and has little or no influence in the social-professional or youth organizations of the CDS.

Hence it can be said that, in the campaign which is about to be outlined, Adriano Moreira will probably appear as a symbol, but isolated within the party, while there will be a great convergence of all the other CDS sectors.

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PSD SEEN AS ABANDONING CAPITALIST PRINCIPLES

Lisbon A TARDE in Portuguese 18 Aug 83 pp 1, 5

[Editorial by Margarita Borges de Carvalho: "Socialism and Democracy"]

[Text] The socialist politicians who want to maintain a pluralist political system, as an essential factor, insist on referring to "their" socialism, democratic socialism, socialism with a human face, etc.

At the same time, they attempt to reconcile the concept of socialism with that of democracy, and they urge the need for them to go together if both are to be made concrete politically and socially.

The contradiction between these two attitudes cannot be reconciled.

The need to describe socialism as democratic represents the recognition that socialism pure and simple is not that, or may not be. Immediately, then, the alleged identity between the concepts of democracy and socialism becomes indefensible, pure and simple.

Like it or not, the pluralist democracies and the highest levels of respect for the rights of man always coincide with capitalist economic systems.

Not all the countries in which the economic system is, at least predominant-ly, capitalistic, are democratic and free, but all of the free and democratic countries have a predominantly capitalistic system.

On the contrary, where socialism has won the freedom of the city and where collectivization has become the rule, the rights of man have always been sacrificed on the altar of the privileges of the dominant class (the party) and the "workers," in a parody of citizenship.

Where socialism with a so-called human face has won out over democracy, it has always done so without the sacrifice of the capitalist economic system.

Between ourselves, it would be unjust to fail to recognize and applaud the fact that the socialists "with a human face" have done battle against the socialists "pure and simple"--the communists--in seeking to achieve a plural-ist and free society.

But we must note, to their discredit, the continuation in the constitutional structure of the communist heritage represented by an economic system in which some of the basic goals of Marxist collectivism continue to be endorsed.

One might say that an alliance with the right wing would give the Socialist Party (PS) the ideological and political opportunity necessary for a profound change in economic structures--an opportunity which was not available to it earlier, when it was in the opposition. The more so since the PSD [Social Democratic Party] fought for this opportunity during the constitutional revision, and during the electoral campaign, its leader returned to this issue.

However, out of love of power, the PSD has forgotten what it had considered some years ago to be basic. The PS, not without a certain logic, may have believed that it was not for it to recall it to mind.

When the central bloc ceases to exist, the PSD may perhaps return to its thesis. But it is hardly likely that it will have a majority at that point, as it does now, for the revision of the constitution on the basis of this thesis.

Coordinating its own factions such as to be able to handle the situation, the coalition will endorse structures in which one of its parties does not believe and in which the other sometimes pretends to.

Meanwhile, the nationalizations will continue to be "irreversible conquests for the working classes," Article 290 will continue to provide the constitution with the rigidity and the stability of a corpse, the creation of wealth will continue to be the attractive focus of appealing speeches, and pluralist democracy will continue to give rise to governments with authority more over situations than structures, to the delight of the Marxist ideologues and those who would like to be dictators.

5157

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EANES' REPUTED PARALLEL DIPLOMACY IN MOZAMBIQUE

Lisbon O JORNAL in Portuguese 26 Aug 83 p 6

[Excerpt] The report of the Interministerial Commission regarding creation of a Portuguese intelligence service will be presented in the Council of Ministers on 1 September (or the later one on 8 September), O JORNAL learned from sources close to Sao Bento.

In addition to Defense Ministry officials, members of the Justice Ministry, the MAI [Ministry of Internal Administration] and the MNE [Foreign Affairs Ministry] worked on the project, which was directed by Defense Minister Mota Pinto.

Creation of the intelligence service, which has been viewed with great suspicion in several quarters, namely with regard to its control, was announced on 28 July by the government, which set a time limit for itself of 1 month to present the project proposal, following the attack by Armenian terrorists on the Turkish Embassy on 27 July.

The draft bill to be presented for approval in the Council of Ministers will have to undergo debate in the Sao Bento assembly, because it comes under the heading of "Rights, Liberties and Guarantees," in which the approval of the Assembly of the Republic is obligatory.

Melo Antunes in Mozambique: Government Did Not Know

If the intelligence service will be a "hot" issue in September because of the problems it raises, to the point of creating white hairs for the minister of internal administration, because the intelligence miniservices and even ministries will be vying for its coordination and leadership (and because the spectre of the PIDE [International and State Defense Police] still haunts Portuguese society), another topic could give rise to controversy in the near future: the so-called "parallel diplomacy" regarding Samora Machel's visit to Lisbon, as Antonio Duarte, our special correspondent in Maputo, reported to us. We knew in Lisbon that Melo Antunes went to Mozambique without consulting the government. Although Melo Antunes assures that his visit to the young Portuguese-speaking country is personal, the present government is convinced, although it has not said so publicly, that Melo Antunes is in Maputo as the "special envoy" of the president of the republic.

Meanwhile, the government has decided to send Minister of State Almeida Santos to meet with Machel, on 1 September; some political sectors were surprised at the choice.

SECURITY POLICE BULLETIN WARNS OF EAST BLOC INDUSTRIAL SPIES

Stockholm SVENSKA DAGBLADET in Swedish 12 Aug 83 p 7

[Article by Thomas Jonasson]

[Text] The Eastern countries have increased their industrial espionage against Sweden and the other Western countries. The spies often operate under the guise of diplomats. Some of the information they seek is in the Swedish defense industry.

The Swedish Security Police (Sapo) have described industrial espionage in a secret report. The report was sent to several companies in the defense industry.

The report describes how this intelligence activity is carried out and how the spies act.

Ingalill J. Agren, department head at Sapo, believes that the increased espionage is part of the arms race and results from a fear among the Eastern countries that they will fall behind in weapons development.

The nature of the espionage activity also has changed, according to Ingalill J. Agren.

Basic Research

Previously, the Eastern countries were most interested in finished products. Now they are more involved in basic research and development, from the inception to the finished product.

Sapo produced the report to warn industrial companies of the increased espionage activity.

"The primary purpose is to prevent espionage by informing and helping the companies," Ingalill J. Agren told TT (Swedish Central News Agency).

She did not wish to describe in detail how the spies gather information from companies that are part of the defense industry and the total defense.

"It varies. Sometimes they simply trick some employee into revealing information

and sometimes they purchase it."

Recently the Eastern countries also have become more interested in knowledge and technology within commercial industries. Much time and money can be saved by stealing information and research. In this way, their own research and development becomes much cheaper in certain areas.

The increased level of espionage is a growing threat to Swedish high-technology companies, according to the security police.

A large number of Eastern diplomats have been expelled throughout the Western countries in recent years. In most cases, the reason has been industrial espionage, although this is seldom given as the official reason.

The security police are primarily interested in industrial espionage that is related to defense industries.

The reason is that they are more sensitive and more highly restricted with regard to the information they possess and the sale of their products.

Water Purification

Other areas in which Swedish industry is advanced include electronics, agriculture, forestry, construction technology, energy technology, and chemistry where, for example, water purification may be of interest to a foreign power.

According to the government study on industrial espionage, 571 of the almost 1,400 Swedish companies questioned believe they have technical and commercial information that is secret.

27 Certain Cases

Of these companies, 205 indicated that they had been victimized by illegal entry. How many of these cases involve theft by competitors and how many are politically motivated is difficult to say.

On the other hand, 27 cases of pure industrial espionage have been determined.

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CSO: 3650/273

COLUMNIST PREDICTS PALME MAY TURN TO CONSERVATIVES FOR AID

Stockholm DAGENS NYHETER in Swedish 21 Aug 83 p 32

[Commentary by Sven Svensson]

[Text] This fall parliament will move back to Helgeandsholmen from Sergels Square. At the same time, it is clear that this will occur in a new political situation and with a Social Democratic government in an unfamiliar role.

In the present situation, the Palme government must seriously test the much-discussed desire of the Conservatives to make budget cuts. The new political situation is clear. The fall session will take up wage-earner funds and many other issues. For the first time in history a Social Democratic government will be in the unfamiliar role of having to make cuts in public expenditures. Ironically, Adelson is the only available partner with which Palme can cooperate.

The Social Democratic government is a minority government, although the cabinet ministers seem to forget that at times. In order to gain approval for their proposals in parliament, Palme must garner support from either the left or the right.

It is impossible to count on VPK (Left Party Communists) in this regard. The same is true, for different reasons, of the Center Party and the Liberal Party. Only the Conservatives remain. Palme cannot avoid testing what this unusual "coalition" is capable of doing.

While the two middle parties were in power, they attempted to create an economic austerity program while cooperating with the Social Democrats, primarily on tax issues, to create policies that could be continued even following a change in government.

Fiasco

The result can be described as a complete fiasco. The efforts of the middle parties resulted in major losses at the polls for both government parties. The new Palme government reversed the cutbacks in areas such as qualifying

days for sick benefits and lower pensions, while the Conservative Party scored points with the tax compromise.

As the fall political season is approaching, the middle parties have learned an expensive lesson. According to strategists in these parties, there is absolutely no reason to waste their strength again bearing the heavy political load.

Now the parties that, while in opposition and during the election campaign, opposed cutbacks and the tax compromise must show what they can do. While the Social Democrats and the Conservative Party are doing the political dirty-work, the middle parties will cultivate their own profiles, as best they can, and take back voters who were lost to the Conservatives while the middle parties were in the government.

Inflation

For several years the battle against inflation has been presented as the Social Democratic Party's primary economic goal. This was true in the "crisis group" and in the first budget the Palme government spoke at length about the "third way."

So far, at least, the third way has proven to be traditional Social Democratic politics. The budget contained a sharp increase in public expenditures and, as usual, certain tax increases, but the final result still was a generous increase in the budget deficit to a record-high 90 billion kronor.

This is where the Palme government stands now. Even this fall the Social Democrats must present proposals to limit the increase in public expenditures.

These proposals must be followed by new cuts in the 1984 budget. Higher budget deficits lead invariably to increased inflation. And increased inflation leads, in turn, to additional devaluations in the long run.

Set A Ceiling

So far, there have been indications that Finance Minister Kjell-Olof Feldt will place a ceiling on automatic increases in expenditures of 4 percent for 1984, but changes in social benefits to families with children, for example, also are possible.

If the inflation rate in 1984 exceeds 4 percent, which apparently will be the case in 1983, this ceiling will reduce the standard of living perceptibly for pensioners, students, and hospital patients.

It is especially imperative for the Palme government to make certain cuts in public expenditures in order to finance expanded programs to reduce unemployment. If the Social Democrats fail in their primary task of providing full employment, an election disaster may be just around the corner. LO (Federation

of Trade Unions) is already making dire predictions on this score.

Defense Tax

Tax increases similar to the defense tax against unemployment may help the government limit the budget deficit to some extent. But such manipulations solve no real problems. Experience has shown that tax increases in one area now tend to reduce tax revenues in other areas.

The announced negotiations over the wage-earner funds may give Prime Minister Palme some idea of what the nonsocialist opposition party leaders think about economic policy.

In general, however, it is useless to believe that agreement can be reached in advance on an emergency economic plan or even parts of such a plan.

Ice Cold Water

Thus, the Palme government must present its austerity proposals to parliament and see what happens. That will be like diving head-first into ice-cold water.

In one sense Palme will be better off than the nonsocialist governments when they were in power. No nonsocialist party will advocate a higher budget deficit than that proposed by the government. Outbidding one's opponents in this way would not result in political credibility.

But the size of the budget deficit is one thing and concrete austerity measures are another. The nonsocialist opposition parties in parliament will lie low to avoid sharing the responsibility for unpopular Social Democratic austerity measures.

Unavoidable

In this situation, it will be unavoidable for the Palme government to test the Conservative Party's much-desire to make cutbacks. Otherwise, Palme is in jeopardy of administrating an economy that is falling apart. He cannot afford this, especially in view of the 1985 elections. The explanation is as follows:

If the government discusses austerity measures with the Conservatives, the middle parties will be more likely to vote for the Palme-Feldt budget cuts. The middle parties, which are fighting for their political existence, will not once again give the Conservatives the leverage they had during the most recent election campaign.

Creating a political identity is a matter of life and death for the Liberal Party, since its image was made rather fuzzy by 6 years in government with compromises both to the left and to the right.

One fact is clear:

During his term as party leader, Ola Ullsten made a change in the course of economic policy which is still in effect. Regardless of who becomes the new party leader--Bengt Westerberg or Bjorn Molin--the main task will be to create credibility for this policy of economic austerity. For this reason, the choice of a new party leader has less to do with a shift to the right or left than many believe.

It is of vital importance to the Liberal Party not to simply chase after Palme, then after Adelson, but to maintain a political identity of its own. There are extremely few issues on which the Liberal Party has such a strong identity that it is even possible to compromise with another party without losing even more supporters.

Today some Social Democrats hope that Palme will shelve the wage-earner funds and, instead, work on a joint emergency program with the Center Party.

In his political planning, Falldin assumes that Palme must stick to the wage-earner funds. This gives Falldin a welcome alibi to avoid dealing with the Social Democrats on issues that involve the wage-earner funds.

Disappointment

But there also is a deeper reason for Falldin to reject cooperation with the Social Democrats. He was bitterly disappointed with the unsuccessful tax compromise and with Palme's accusations that the middle-party government increased unemployment intentionally.

Falldin is simply disappointed in what he sees as a lack of honesty and truthfulness within the Swedish Social Democratic Party of today.

But if Palme should unexpectedly shelve the wage-earner funds after it has become apparent that agreement with the Conservatives is impossible, Falldin would be forced to take a position on cooperation with the Social Democrats.

The inside guessing is that, in that case, Falldin would find new obstacles to prevent cooperation. With his well planned attacks on the Social Democrats and on Palme personally, Falldin has taken up the battle against Adelson to determine who the true opposition leader is.

An emergency agreement between the Social Democrats and the Center Party would make Adelson the clear leader of the opposition, while the prospects of the Liberal Party surviving as an independent and relatively large party would be improved considerably. This is not what Falldin wants.

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COMMUNIST ORGAN ATTACKS NATO FOR THREATENING GREENLAND

Copenhagen LAND OG FOLK in Danish 10 Aug 83 p 2

[Editorial: "NATO Expands"]

[Text] Greenland's military importance is growing rapidly these days. In April we got a report that the USA is preparing an enormous enlargement of the Thule base. There is talk of investment of almost a billion Danish kroner. There would be a lot of new electronics installed at the American base near the northern icecap. The expansion would mean that the base could be used in a possible war from outer space and it would be used to fight against submarines.

Home rule government official Lars Emil Johansen already at that time characterized this expansion to LAND OG FOLK as "dangerous for the arctic region." He pointed out that the Thule base had up to now been characterized as defensive in nature. Now it has become offensive.

The offensive utilization of the arctic region and especially of Greenland was emphasized yesterday with a report that NATO's Atlantic Fleet for the first time in its 15-year history will pay Greenland a visit. This will take place next month with the participation of NATO vessels from five countries.

The American chief of the NATO Atlantic Fleet, American G.F. Streeter, in this connection expresses his happiness over the fact that NATO people will be able to expand their "friendship ties and the international cooperation which the visit to Greenland gives us a unique opportunity for," as Streeter says.

It is fatal envelopment which Greenland is now in danger of. Just as the country is about to free itself from Danish guardianship and about to free itself of EC, the American chief of the NATO Atlantic Fleet comes and discovers Greenland again. Greenland's ports are about to acquire military significance. The visit of the Atlantic Fleet will show this.

One would otherwise believe that the U.S. Navy would have enough by showing its presence in Central America for the time being. A whole section of the world feels threatened by the American lust for power. The U.S. Navy obviously needs to show that it can be everywhere--in the arctic region, too, in a buildup which home rule government official Lars Emil Johansen before the Greenland election in April characterized as "dangerous."

MEMBER OF RADICAL PARTY IN LOCAL PARLIAMENT HITS U.S., NATO

Copenhagen LAND OG FOLK in Danish 11 Aug 83 p 3

[Article by John W.: "Greenland Landsting [Parliament] Member: The Military Must Get Out of Greenland"]

[Text] Increasingly more Greenlanders are dissatisfied with the USA's military presence in Greenland. Therefore, it is also to go in the wrong direction to allow the NATO Atlantic Fleet to anchor in several Greenland ports in the beginning of September. This is what Greenland Landsting Member Jens Geisler, Inuit Ataqtiguit, says to LAND OG FOLK. He believes that Greenland politicians instead of bidding the Atlantic Fleet welcome should work for the decisions made by the Inuit Circumpolar Conference. The ICC resolved to work for making the Arctic a nuclear-free zone and that military activities in the region should be stepped down.

Buildup

"What is happening now is precisely the opposite," Jens Geisler says.

He refers in this connection also to the big submarine hysteria in Greenland in recent days, where Soviet submarines have been seen everywhere.

"The decision regarding the visit of the fleet from five NATO countries to Greenland was certainly made a long time ago, but it is very curious that just before the ships are to arrive signs of Soviet submarine activity are found everywhere in our area," Jens Geisler says to LAND OG FOLK.

Jens Geisler refers to the many reports that in recent times have been made regarding observations of submarines. One of these observations, which has been taken most seriously, comes from the Greenland trawler Elias Kleist, which followed a submarine's periscope for over a half hour.

Charm and Fear

In the meantime a report has now come from another Greenland trawler which was closer to the object, and from this trawler it was able to be stated that in reality it was a question of a black ice floe.

At the same time it is reported from pleasure craft sailors in the area around Greenland's capital, Nuuk, that they received "Russian voices" on their radios. However, experts do not place special weight on these observations, because under particular meteorological conditions it is possible in Greenland to receive even conversations between individual taxis in New York.

In addition, a so-called radio buoy from a submarine has been found. This buoy during investigations at the Greenland Command at Grønnedal was identified as being of Soviet manufacture. However, it will not be dismissed that it can have drifted with the current from international waters into the fjord near Nuuk where it was found.

"They are obviously warming up to stressing Greenland's importance in Western military strategy," Jens Geisler says. "The way in which the submarine incidents have been played up indicates that they want to have tension in our area."

"Continuation with the visit of the fleet says to me that a combined charm and fear offensive is being waged in Greenland on the part of NATO," he concludes.

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BRIEFS

FINLAND, EEC FISHING AGREEMENT SIGNED--Finland and the European Economic Community have signed a general fishing agreement, which will give the parties an opportunity to fish in each other's fishing zones. The agreement is based on reciprocity: each party will give the other party fishing quotas corresponding to the value of the catch obtained from their own fishing zone. For the purpose of obtaining concrete results, the agreement provides for annual negotiations on fishing quotas, the results of which must be approved by both parties. Finland is primarily interested in the herring catch in the EEC's fishing zone in the North Sea and the EEC -- in practice Denmark -- is interested in the salmon catch in Finland's fishing zone. The agreement offers an opportunity to continue such fishing in the future on the basis of quota negotiations. However, the significance of the agreement will, for the present, remain a question of principle in spite of the fact that the herring stock in the North Sea is increasing. [Text] [Helsinki UUSI SUOMI in Finnish 19 Aug 83 p 6] 10576

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